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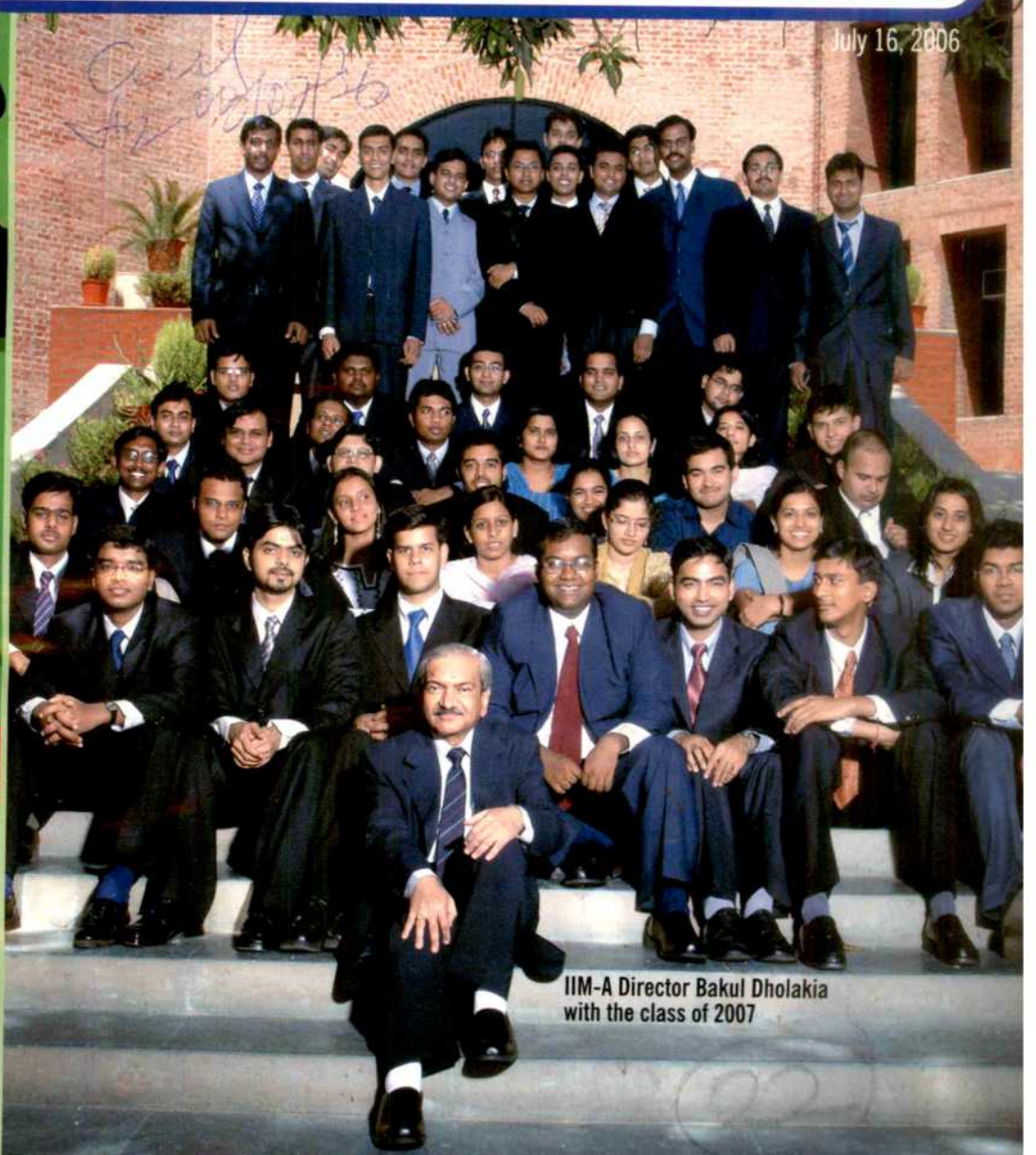

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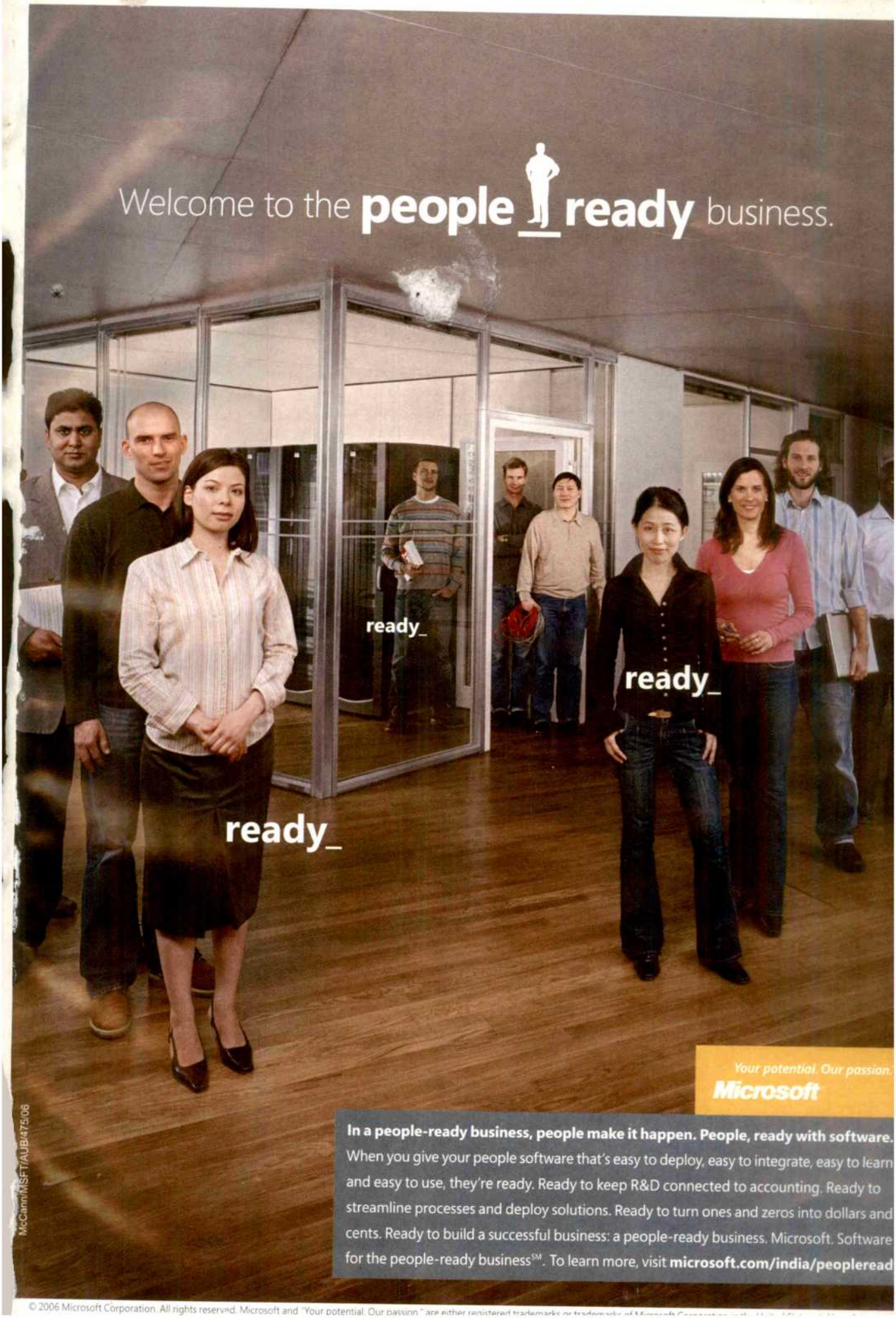

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From The Editor

THIS IS THE TIME OF THE YEAR WHEN UNDERGRADUATES in their final year as well as older aspirants who may have put in a couple of years at work get swept up in the annual frenzy of preparing for admission tests to B-schools. Every year that throng of admission-seekers has been growing bigger. An example of the rush to find a berth: this year, an estimated 130,000 candidates will appear for the Common Admission Test (CAT) and the scores they get will determine whether they get into the top 10 schools. These schools together offer less than 5,000 seats, so most of this year's aspirants will be disappointed.

If that's the situation at the top, things are no better as we go down the ladder. There are an estimated 1,257 approved B-schools in business, and several others that aren't approved by the All India Council for Technical Education (AICTE). Some are easy to walk into, provided you can rustle up the usually hefty tuition and admission charges; others are more choosy. But the fact is demand far outstrips supply of B-school seats. That probably explains why B-schools are mushrooming everywhere—in large cities, small towns and even semi-urban habitats.

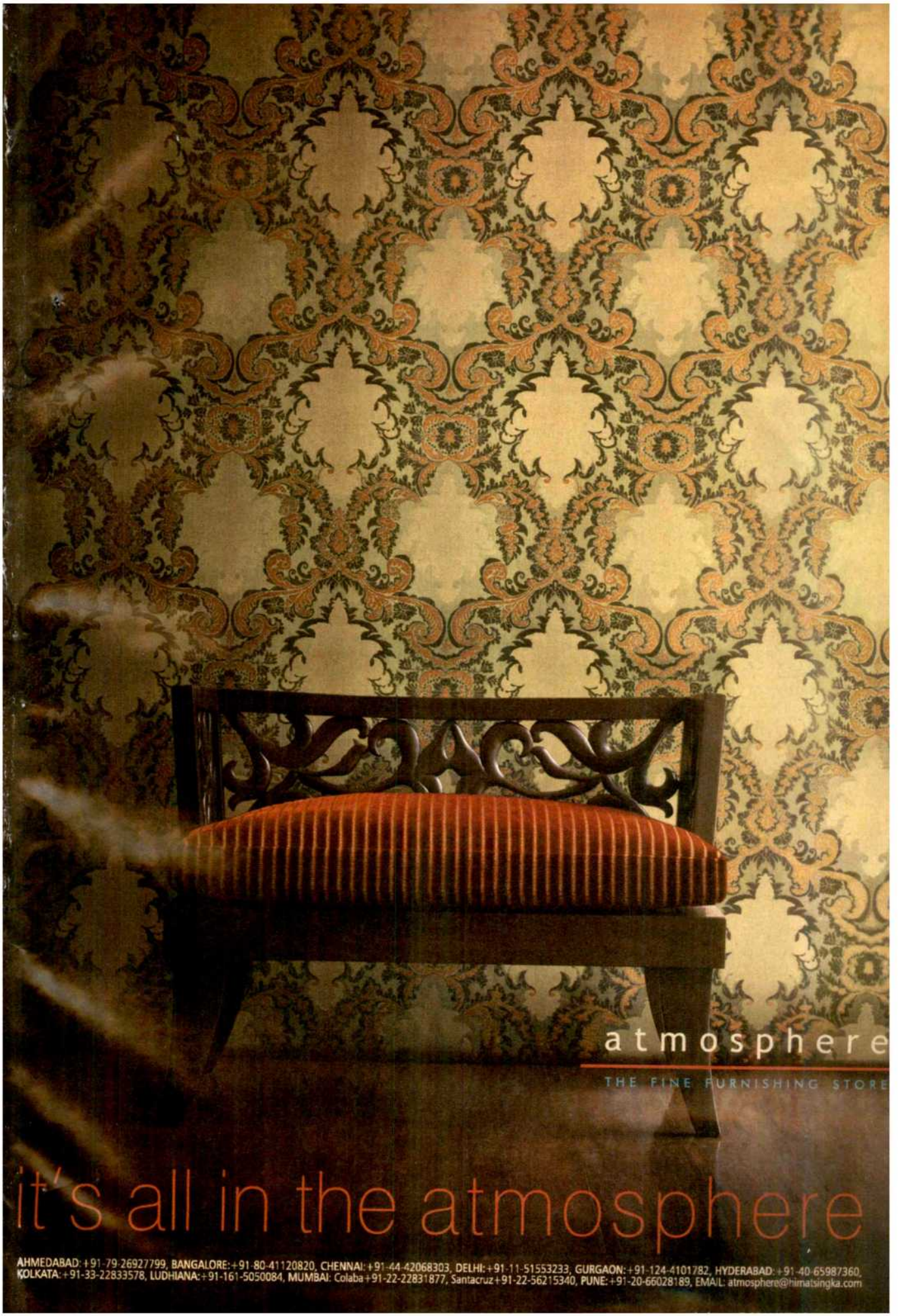
That, though, is not the subject of our current issue. For the fourth *BT*-ACNielsen ORG-MARG Best B-Schools study, which as regular readers are aware, is based on a perception study among recruiters, students, aspirants, functional heads and alumni, we expanded our sample size from 449 respondents across eight cities last year to 526 across 11 this year. Possibly, that is one reason why most schools have scored lower in terms of their overall brand equity index. To know more about our methodology, turn to page 162.

Once again the top school this year is IIM Ahmedabad, but a real surprise is Symbiosis, Pune, which has jumped from #8 last year to #4. Rankings apart, our survey throws up a few issues. Trends show that in the past couple of years, the graduates from premier B-schools—the IIMs A, B and C—are being mopped up by foreign consulting firms and investment banks that are not only paying stratospheric dollar salaries, but also offering highly-coveted foreign postings. This puts Indian industry at a disadvantage and increasingly Indian recruiters feel that they are being squeezed out of the IIMs. A CEO of one of India's largest private sector banks rued to me recently about how it's no longer about recruitment on campuses, but about "negotiating salaries and postings".

Blame it on short supply. Just 1,200 MBAs are minted each year at the six IIMs. That isn't anywhere near how many India Inc. would like to hire from them.

Sanjoy Narayan

SANJOY NARAYAN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Web Exclusives

Monsoon Tourism Takes Off

TOURISM IS THE SECOND LARGEST industry in India, generating over 25 million direct jobs. In recent times, monsoon tourism has seen a big boom, thanks to price cuts in holiday packages, attracting budget tourists. With the South West monsoon setting in, tourists are being offered a unique ambience of the season for unwinding and rejuvenation. A look at the new tourist season.

Outsourcing Pulse

THE INDIAN MEDICAL TRANscription outsourcing industry is on its feet again. The latest Nasscom report shows at least 150 companies are engaged in medical transcription in the country. The sector is clocking an annual revenue aggregate of about $240 million (Rs 1,104 crore). There is more to come, what with hike in healthcare costs in the US and increasing regulatory emphasis on digitisation of medical records.

Small Is Beautiful

IBM, CISCO, ORACLE, EMC, Microsoft, HP, Intel and other big companies are chasing small and medium businesses with diverse product offerings. According to market research firm Access Markets International, there are over 7 million SMBs in India. Their IT penetration is relatively low; less than 2 per cent of their turnover. Analysts suggest their information solution needs are growing at 150 per cent a year.

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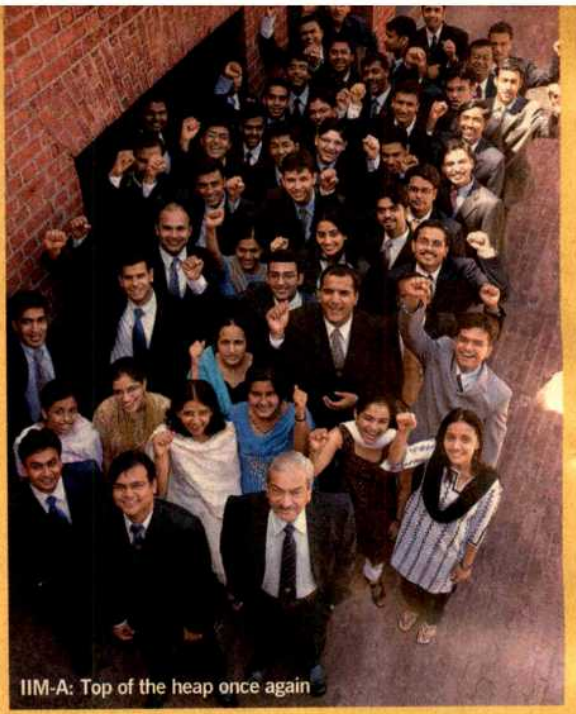

IIM-A: Top of the heap once again

COVER STORY

86 **India's Best B-schools**
IIM Ahmedabad stays rock solid at #1, but there are plenty of gainers and losers in this year's survey. More importantly, the overall infrastructure at a B-school, its quality of placements and faculty mattered even more to our survey respondents, comprising recruiters, MBA wannabes, MBA students, young executives, and function heads. Presenting the only customer-focussed survey of B-schools in the country.

Cover photograph by Ritesh Sharma

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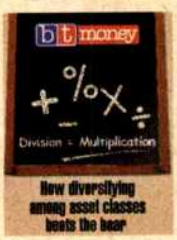

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Demand for executive education is soaring, and the leading B-schools have responded with some innovative programmes. As for employers, they are only too happy.

116 India's Best B-school Profs

If you are a professor, what does it take to win the respect and admiration of some of India's brightest kids? A complete mastery of your subject apart, it takes some self-deprecation and a sense of humour. Meet the nine most popular professors at IIM-A, B and C.

126 Doing Their Own Thing

What kind of IIM grads do their own thing? And why? *BT* speaks to seven from recent batches who chose to be entrepreneurs to understand a still rare but growing phenomenon on campus.

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What's in vogue on India's hot B-school campuses? Here's a peep into five of them: IIM-A, B, C, L & XLRI.

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Intel's Babu

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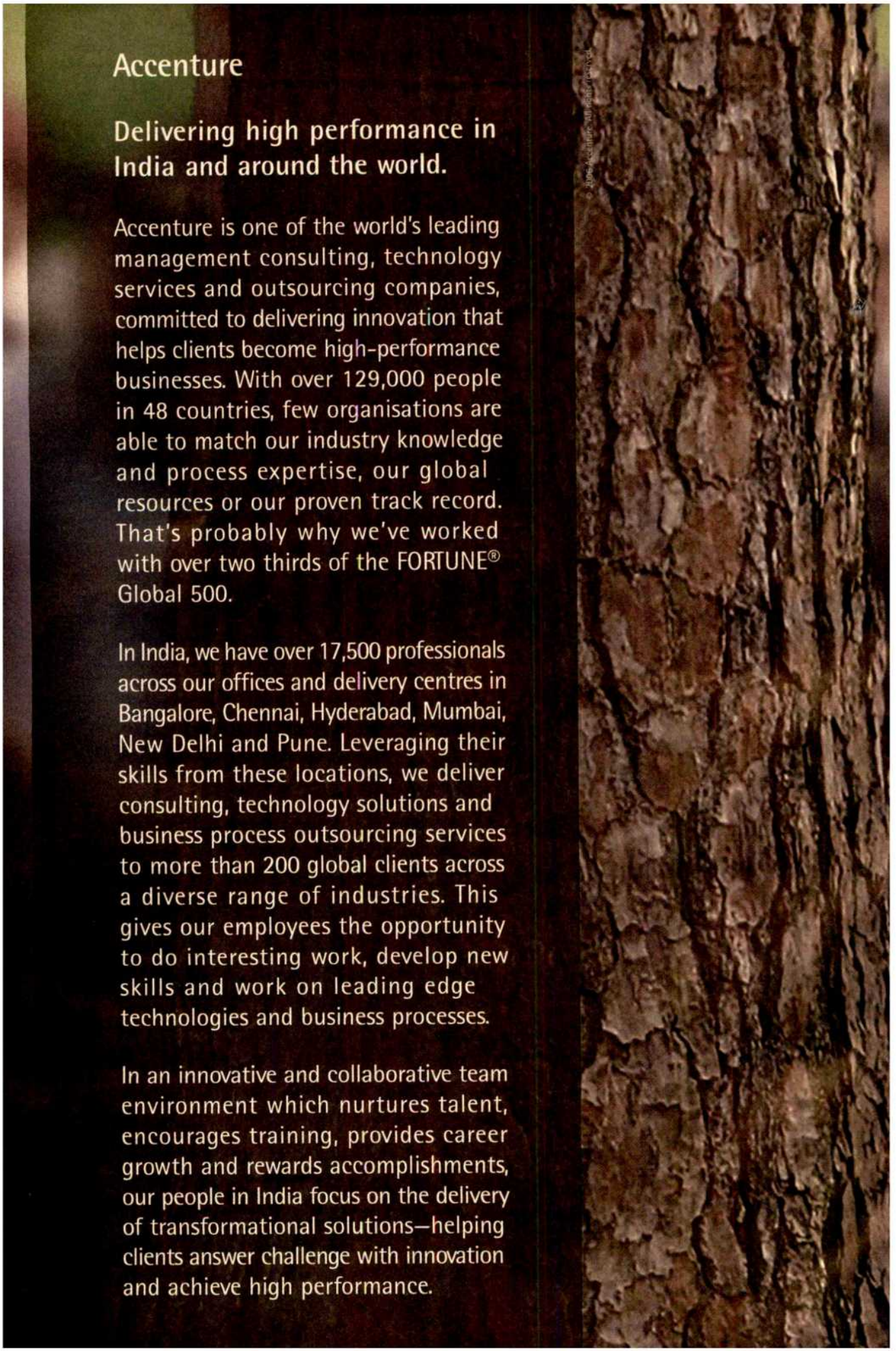

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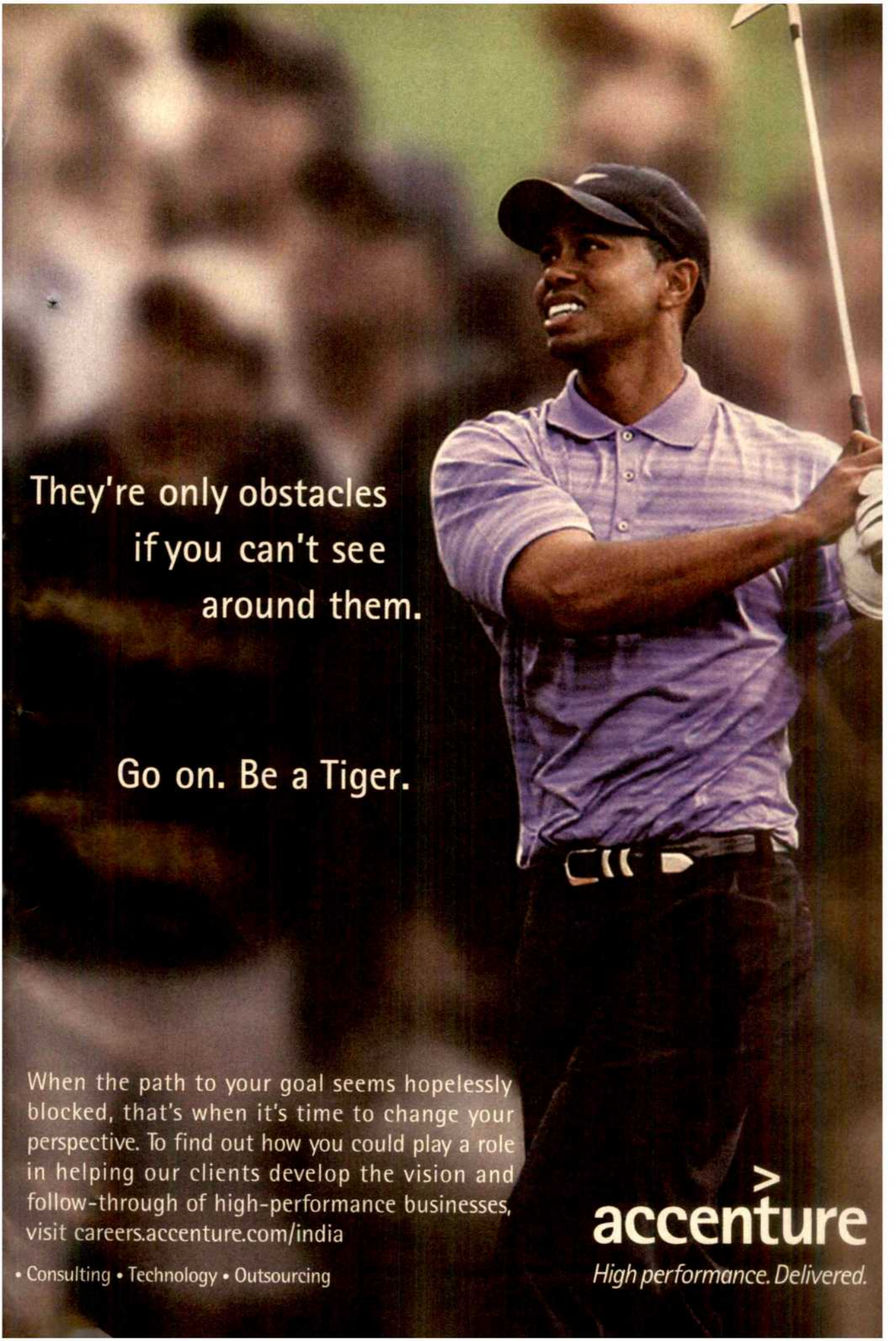
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BEST LETTER

How To Spend Billions

THE COVER STORY *WHERE DO INDIA'S Tech Billionaires Invest?* (*BT*, July 2, 2006) provokes us to think. There is no need for India's IT billionaires to look for avenues to invest their humungous wealth as the companies they are managing have been growing at a scorching pace. However, if they spare a thought, they should think beyond making money and do something for millions of Indians who don't know where their next meal is coming from.

UPENDRA K. BISHT , *through e-mail*

No Gain, Only Loss

AS POINTED OUT IN YOUR STORY, *Land Scam?* (*BT*, JULY 2, 2006), the SEZ scheme could be misused and could lead to a real estate scam, taking away prime agri-land from farmers and putting them in distress. Besides, producers will move from the domestic high tax zones to the no-tax area of SEZ. So, there will be a heavy loss of tax revenue without commensurate industrial growth. The government should plan for a uniform development of infrastructure throughout the country.

A. JACOB SAHAYAM, *through e-mail*

IT Pays

YOUR COVER STORY *WHERE DO India's Tech Billionaires Invest?* made interesting reading. It gave a fascinating insight into how IT warloards sought to multiply their personal war chest running into millions. However, it has not thrown up some unusual insight on stock market investing or multiplying wealth. What runs common among their strategy is prudent adherence to the conventional thumb rules that are often advocated by investment pundits.

V. RAMACHANDRAN, *through e-mail*

Dual Benefits

THE COVER STORY *WHERE DO INDIA'S Tech Billionaires Invest?* shows how each tech czar adopts his own strategy of safeguarding his wealth, but there seems to be something common to all of them, and that is their approach of boosting IT education in the country, by developing colleges and centres of education. This has the twin advantage of giving them monetary returns, as well as giving them an avenue to cherry-pick candidates from their own campuses.

VITHUR , *through e-mail*

Learn From A Leader

YOUR COVER STORY (*WHERE DO India's Tech Billonaires Invest?*) has come in at the right time when Microsoft's chairman Bill Gates has announced his retirement. Gates is considered a role model in diversifying his investment strategies. He is stepping down at the height of his glory and promised to spend a major part of his wealth on charity. Already Bill & Melinda Gates Foundation is doing a good job. There is a lesson here for our leaders.

RAMYA RAJENDRAN, *through e-mail*

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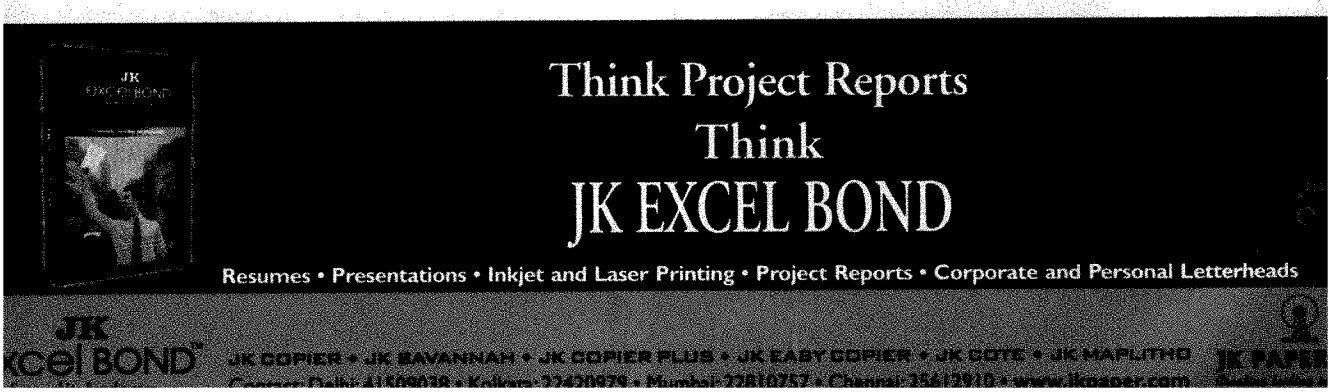

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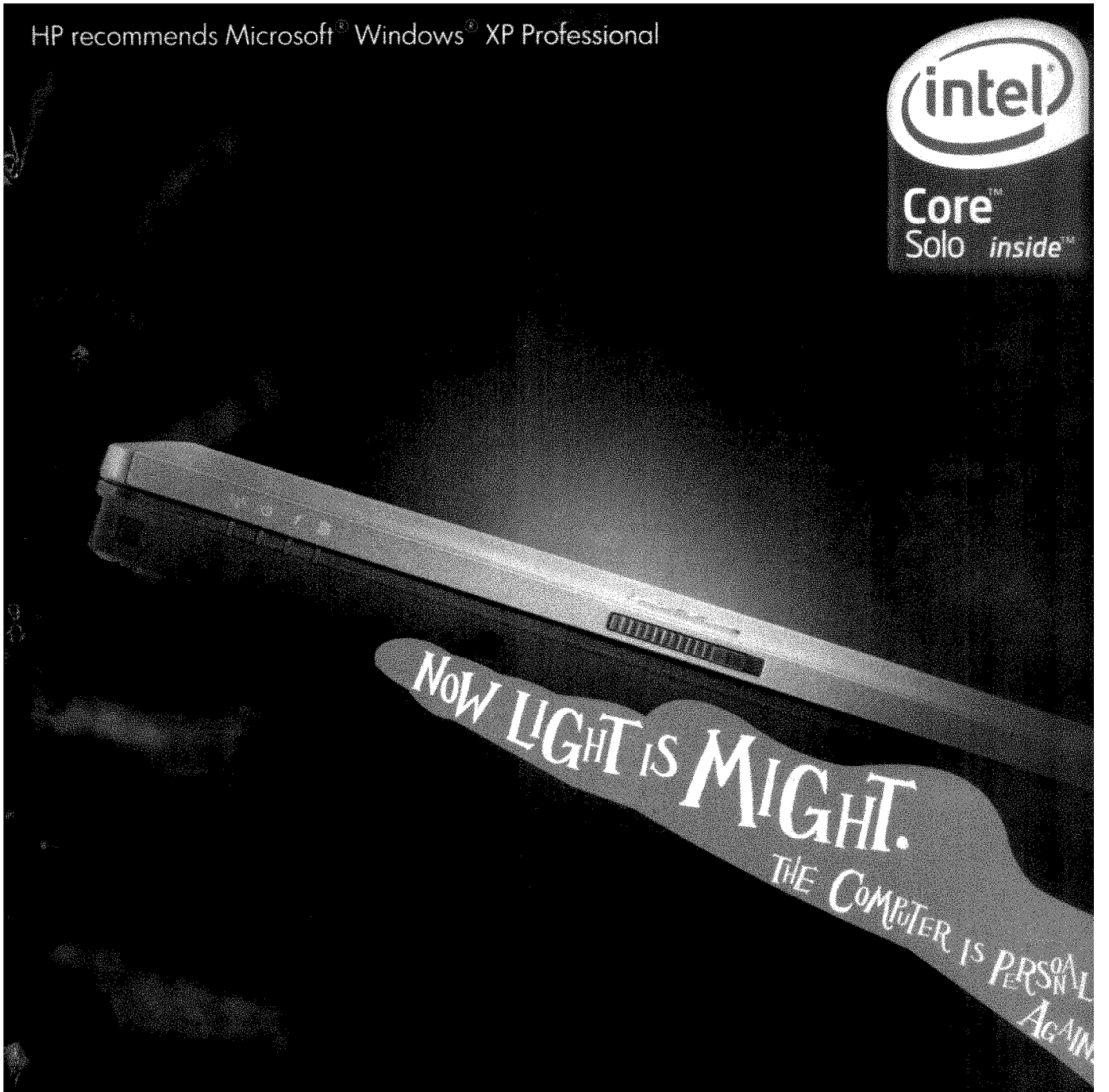

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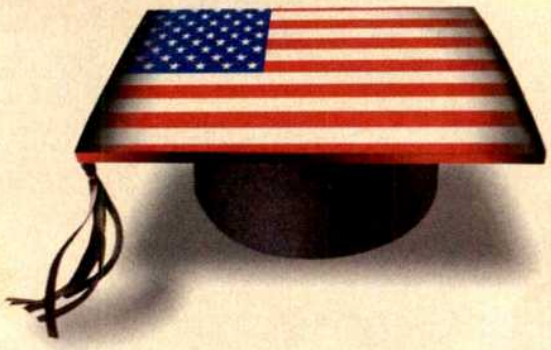
American B-schools



RAMEN SARKAR

THIS YEAR'S PLACEMENTS AT THE TOP-RUNG BUSINESS schools in the country reflect a changing trend: the IIMs are becoming export-oriented units, catering to the white-collar needs of overseas multinationals. Already, some Indian companies have had to settle for the lesser institutes owing to their inability to match the salaries offered by the MNCs. This year, a student at the Indian School of Business, Hyderabad, topped the charts, with an all-time high offer of $233,000 (Rs 1.07 crore) per annum. However, Indian industry couldn't stretch beyond Rs 30 lakh p.a., nearly a fifth of the overseas package.

This, ironically, is a healthy phenomenon, for it recognises two issues. First, flight of talent overseas reflects the growing global competitiveness of Indian B-schools. Secondly, domestic industry's hunt for talent will put pressure on the second-tier institutes to raise their level in every sense, be it the screening process, teaching faculty or the curriculum. All this will drive the B-schools to deliver managers who will make Indian companies globally competitive. Indeed, intra-IIM pressure is already at play: In 2004, the highest domestic industry offer was made to a student of IIM Lucknow at Rs 14 lakh p.a., compared to Rs 12 lakh p.a. at IIM Ahmedabad, which traditionally is a notch higher.

Indian companies, even those with global designs, seek to derive competitive advantage vis-à-vis MNCs through lower labour costs at every level, both blue-collar and white-collar. In fact, Indian companies pay less compared to the MNCs for overseas assignments as well. Over the last few decades, technology- and capital-led competitive advantages have petered out to a large extent, with both proving to be minor constraints. It is clearly managerial skills that have come to dominate the cutting edge of business. It is here that talent, of the kind that can be found in Indian B-schools today, counts.

Not surprisingly, the intake of Indian talent by Wall Street's finest is on the rise, with over 30 placements thus far from the IIMs.

For the knock-on effect of the IIMs to rub off on other schools, there is need for greater private participation in setting up B-schools. Furthermore, private endowments in government-run institutions must improve to ensure greater integration with industry. Importantly, the government's programmes must actively fund high-school education. China has shown the way in this regard. The results are there for all to see: A technical manpower base that powers its factories, and in turn, growth. India could do the same with its managerial talent.

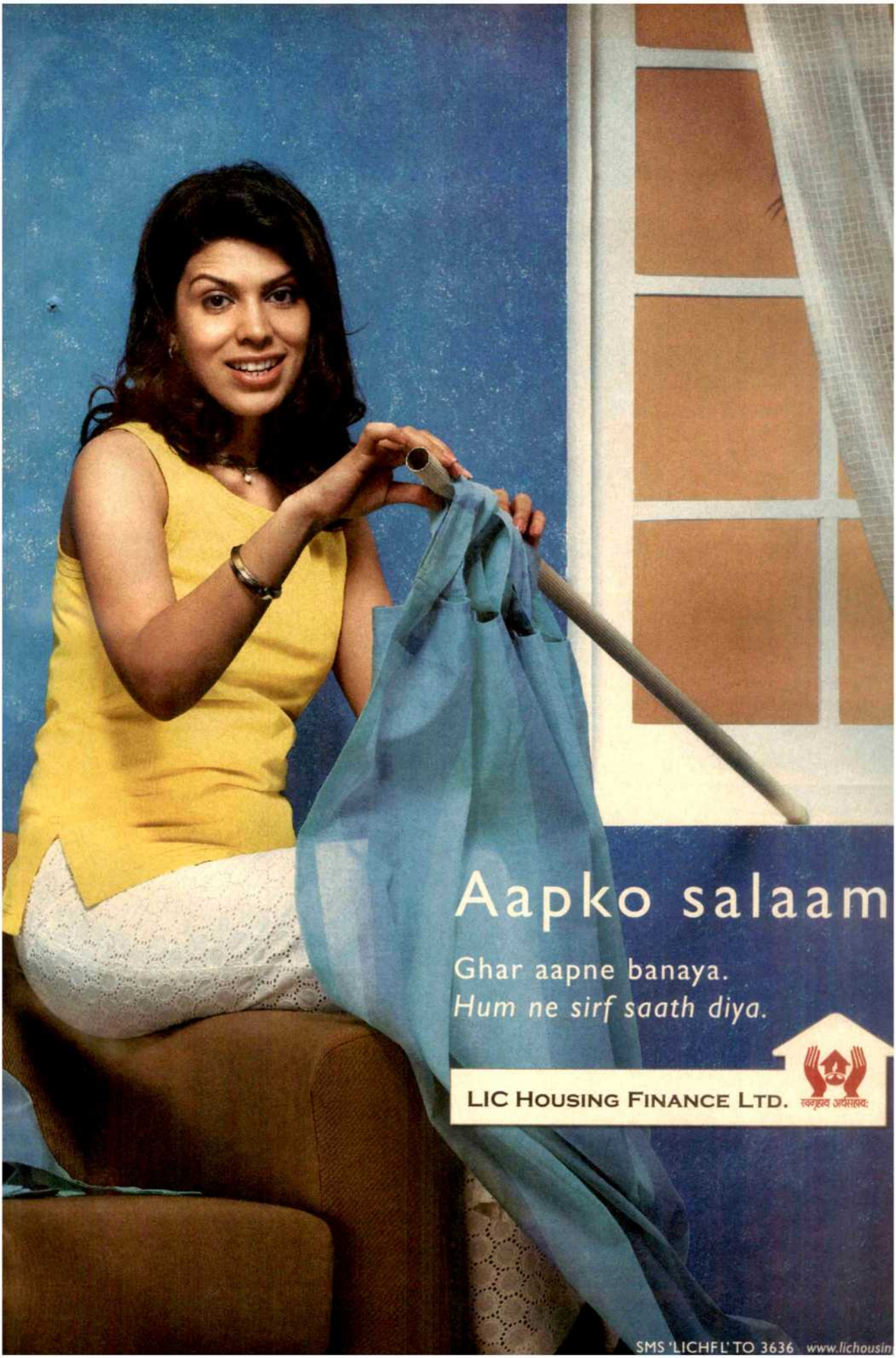
The Next Wave Of Outsourcing

DEEPAK G. PAWAR

Outsourcing: Now includes 'nearshoring' too

SOMEWHERE IN THE MID-1990s, THE WORLD WOKE UP TO the fact that Indian IT companies were good at fixing code. By the time the Y2K bug hit, they were clearly in mid-season form and offered to write, maintain and fix (together called Application Development and Maintenance, in industry jargon) software. Their low cost structures allowed them to transition a major portion of the work back home. Package implementation (think ERP, CRM) of numerous vendors like SAP, Baan, PeopleSoft and Oracle came next. They also discovered customers were happy if 'pain points' were addressed and the BPO industry came into being. Indian IT companies decided that they would not just implement, but also advise their customers on what technology to opt for and how to implement it. Thus was born the consulting practice, a work still in progress.

With its 'follow the sun' mechanism, the Global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Delivery Model or GDM (despite its name, it means moving work to India), with its low costs was a disruptive framework. The first wave of outsourcing essentially meant 'offshoring'.

However, there were limits to what GDM could deliver. Recent decisions by companies like Apple, Pervasive, PowerGen, Sykes and others to shut captive centres, is a telling indictment that running a captive model without sufficient scale isn't viable (and of, at another level, customer dissatisfaction). The next wave of outsourcing includes contract research and development, and infrastructure management services, all of which require a greater onsite presence. And more political backlash on outsourcing is just an election away.

So, companies are perfecting GDM Version 2.0; one company, Infosys, calls this 'Collaborative Distributed Development Model'. That's an ungainly name for sure, but it recognises that business models are more important than choice of destination. Its core premise is about marrying the best of skills available at lowest cost anywhere across the world to timely delivery. Outsourcing now includes 'nearshoring'. That is the reason Wipro, TCS, even Transworks are making selective acquisitions—to be near to their customers. While there are advantages of having a near-shore presence (say Mexico to serve the US market) or low-cost East Europe to serve the UK, French and German markets, companies will have to battle new challenges now. These include protecting margins, ensuring availability of trained manpower, cross cultural integration and perfecting delivery processes across timelines and borders; this is sure to test their mettle. GDM Ver 2.0 is both an opportunity and a challenge.

A Confidence Issue

ARCELOR'S GUY DOLLE MAY HAVE PUCKERED UP HIS nose at the thought of being taken over by a company that was "full of Indians", but the fact remains that Mittal Steel, despite its name and the passport of its promoter, is not an Indian company. It is as European as an ABB, a Renault or a Nokia. Yet, its successful bid for Arcelor is being treated by most Indians as a victory for the country. Granted that L.N. Mittal is still an Indian citizen, but it must also be borne in mind that his investments in India till date are insignificant (and lower than, say, IBM's or Cisco's). So how does one explain the media frenzy and public interest in this deal? For that matter, why do we, as a nation, spend so much time following the careers and achievements of people like M. Night Shyamalan, Arun Sarin, Sabeer Bhatia or Gurinder Chadha, all people of Indian origin, who have achieved success in the West. In fact, we extend this frenzy even to David Beckham's Hindi tattoo and to Uma and Maya Thurman's Indian first names.

We now have enough home-grown heroes in almost every field of human endeavour, but in the popular psyche, success in and recognition from the West—even on a relatively modest scale—counts for as much if not more than achievements at home. This points to a crucial flaw in our national character: a lack of self confidence. The roots of this can, perhaps, be traced back to the racist and Eurocentric education system imposed on India by Thomas Babington Macaulay in the 1830s, much of which remains unreformed till this day.

But things are slowly changing. The process of economic reforms has led to unprecedented social churning. Non-metropolitan India, long derisively dismissed as PLT (people like them) by the Wogs, is now aggressively claiming its place under the Indian sun. Just look around; small towns, and even villages, are throwing up new superachievers everyday. India is slowly, and in spite of herself, waking up to her true potential. Once this process gathers critical mass—and the logic of empowerment underlying reforms will ensure that it will do so in a few years—we will, as a nation, be able to place foreign and domestic achievements in perspective and do justice to our home-grown heroes as well. Meanwhile, there's no harm in celebrating Mittal's consolidation of his position at the top of the global steel industry. ■

AP

Becks' Hindi tattoo: Not his only claim to fame

Trends

Is The Economy Slowing Down?

Bank credit offtake has shrunk 30 per cent in April and May 2006. Should the alarm bells be going off? ANAND ADHIKARI

THE COUNTRY'S GROSS DOMESTIC PRODUCT (GDP) GREW 9.3 PER CENT IN the last quarter of 2005-06, fuelled by dark horse agriculture, breaking all projections and expectations. Industry grew an even more impressive 9.5 per cent. The India story was jogging along, Finance minister P. Chidambaram and Deputy Chairman of Planning Commission Montek Singh Ahluwalia assured us. "There is no evidence of overheating in the economy. There is further scope for expansion," the latter said.

But that assessment was for the fourth quarter of 2005-06 and, as economists and investors know only too well, a quarter can be a long time for an economy. In April-May 2006, i.e., the first two months of the first quarter of 2006-07, a new picture seems to emerging, and the first impressions of it aren't that positive. But statistics are like bikinis; they hide more than they reveal, and, we repeat, these are only first impressions.

The Reserve Bank of India's (RBI's) Weekly Statistical Supplement released on June 16, 2006, reveals a credit contraction (both food and non-food) of Rs 13,962 crore in the April-May 2006 period compared to the previous corresponding period. The disaggregated figure for non-food credit, too, shows a downturn. Non-food credit grew Rs 36,038 crore in the first two months of 2005-06 compared to a negative growth of Rs 12, 334 crore in April-May of 2006-07.

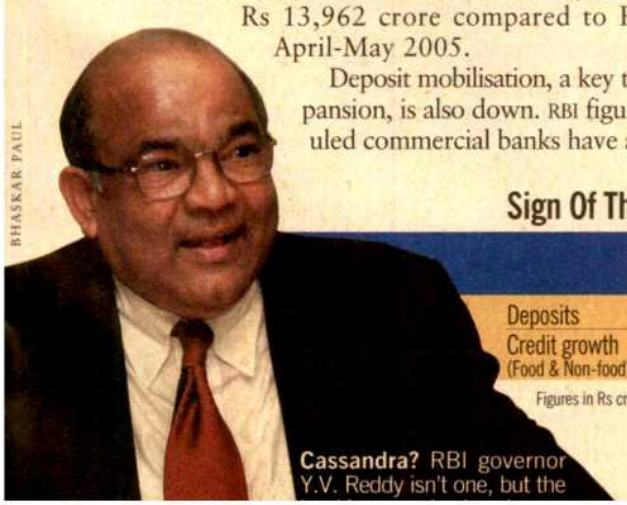
In absolute terms, the credit offtake this year has been a negative Rs 13,962 crore compared to Rs 40,644 crore in April-May 2005.

Deposit mobilisation, a key tool to fund credit expansion, is also down. RBI figures reveal that scheduled commercial banks have aggregate deposits of

Sign Of Things To Come?

	2005-06 (APRIL-MAY)	2006-07 (APRIL-MAY)
Deposits	78,671	27,214
Credit growth (Food & Non-food)	40,644	-13,962

Figures in Rs crore Source: RBI



BHASKAR PAUL

Cassandra? RBI governor Y.V. Reddy isn't one, but the

INSTANTIP

The fortnight's burning question.

WILL THE GOVERNMENT SUCCEED IN OVERCOMING THE LEFT'S OPPOSITION TO DISINVESTMENT THIS TIME?

Yes. Jagdish Khattar, Managing Director, Maruti Udyog Ltd
The Cabinet Committee would not have cleared the proposal unless the government was confident of pushing through its disinvestment agenda this time. The government must have received ample indication that it will be able to overcome all opposition because any reversal or rollback will cause great embarrassment.

Yes. Arjun Sengupta, Congress-backed Independent MP
All I can say is there is no Left opposition to disinvestment this time round. So, you can judge yourself, the fate of the decision.

No. Nilotpal Basu, CPI(M) MP
I am not an astrologer and cannot say if the government will succeed or not. All I can say is that we will oppose this unilateral decision tooth and nail. It's a blatant lie that the Left had agreed to this. Earlier, the Union Mines Ministry had said the proceeds from the sell-off will be used to inject fresh funds into NALCO, but now it seems the funds will be used to meet the budgetary deficit. We cannot support that.

COMPILED BY RITWIK MUKHERJEE

Rs 27,214 crore in April-May 2006-07 against Rs 78,671 crore in the corresponding period of the previous year (see *Sign Of Things To Come?*).

Is this the first sign of an incipient slowdown? Or is this a result of the window dressing that banks resort to in the final quarter of every financial year to doll up their balance sheets?

"There is usually a deceleration in credit in the first quarter," says G.V. Nageswara Rao, CEO, Commercial Banking, IDBI Bank. Several bankers agree with Rao, but caution that the gradual hardening of interest rates and the higher provisioning mandated by the apex bank for real estate and personal loans can significantly damage the retail credit party and, by extension, the overall India story.

RBI data reveals that retail credit has grown by 40 per cent per year since 2001-02 and contributed one-fourth of the incremental non-food credit in 2005-06. As a result, the share of advances to individuals increased from a low of 10 per cent of total bank credit six years back to nearly 25 per cent in January 2006. It follows, then, that a slowdown in loan-driven consumption—especially in the housing, auto and consumer goods sectors, which have direct linkages to several hundred other industries—will affect the fortunes of all these sectors.

P.K. Tayal, Chairman, Bank of Rajasthan, strongly refutes this logic. "Domestic credit demand from all sectors of the economy remains robust. This is actually a slack season," he says.

Will They Look Up In 2006-07?

DECELERATION IN GROWTH (2005-06)	NEGATIVE GROWTH (2005-06)
Machinery & equipment	Metal products
Chemicals	Leather & fur products
Paper, wool, silk and man-made fibres	Wood, furniture & fixtures

All items are non-food credit — Source: RBI

There is a logical, and less alarmist, explanation for the slowdown in corporate credit offtake. Most companies have earned bumper profits over the last two-to-three years and several of them have raised large sums from the primary market prior to the crash in the secondary market. They can, thus, meet their funds requirement through internal accruals, overseas borrowings and by dipping into the funds they have mobilised from the market. Hence, the rationale of this argument goes, they have little use for bank funds.

The real danger to the Indian story, say bankers, will come from an oil shock-induced global slowdown and consequent overcapacity in the domestic market. Alternatively, the inadequacy of Indian infrastructure can also create bottlenecks for growth. A recent RBI report warns that *sustaining the growth of manufacturing, the key driver of industrial growth, will depend critically on bridging the large gaps in physical infrastructure.*

So, is the economy gradually losing steam? It's still too early to reach any conclusive decision on this. But the primary evidence, despite the pat explanations, is disturbing. In the days ahead, all eyes will be glued to bank credit offtake, and other economic indicators like sectoral growth rates. Nobody's suggesting that the 9.3 per cent GDP growth figure is a flash in the pan, but it's best to be cautious.

HIRE & FIRE IN MAHARASHTRA

THE MAHARASHTRA GOVERNMENT HAS quietly introduced new hire and fire norms for Special Economic Zones (SEZs) in the state and has even notified them in its Special Gazette dated May 2, 2006. This means "ancillary" staff like canteen workers, gardeners, cleaning staff, security personnel, courier service employees, workers engaged in transport of raw materials and finished products and loading and unloading of goods within factories located in SEZs will no longer be able to claim permanent status as a matter of right.

BETWEEN THE LINES

The new policy:

- Gives industries flexibility to deploy their labour force
- Delegates the powers of the Labour Commissioner to the designated Development Commissioner for SEZs
- Allows for single window clearances relating to various labour laws in SEZs
- Curbs unannounced visits by factory inspectors
- Declares all industrial units and other establishments in SEZs as Public Utility Services under the provisions of the Industrial Disputes Act

"The Congress knows we will oppose such laws in Parliament, so it has got its state government to pass it," says Shyamal Chakraborty, National Vice President, CITU. However, Govind Swarup, Principal Secretary, Employment and Self-Employment Department, Government of Maharashtra, says: "This is an operational set of policies for improving the lot of labourers."

The state has belled the cat. It's a test case; if employment figures head north following this, it will puncture the stand of the Left and others whose ideological orientation is holding up job creation in the economy.

AHONA GHOSH

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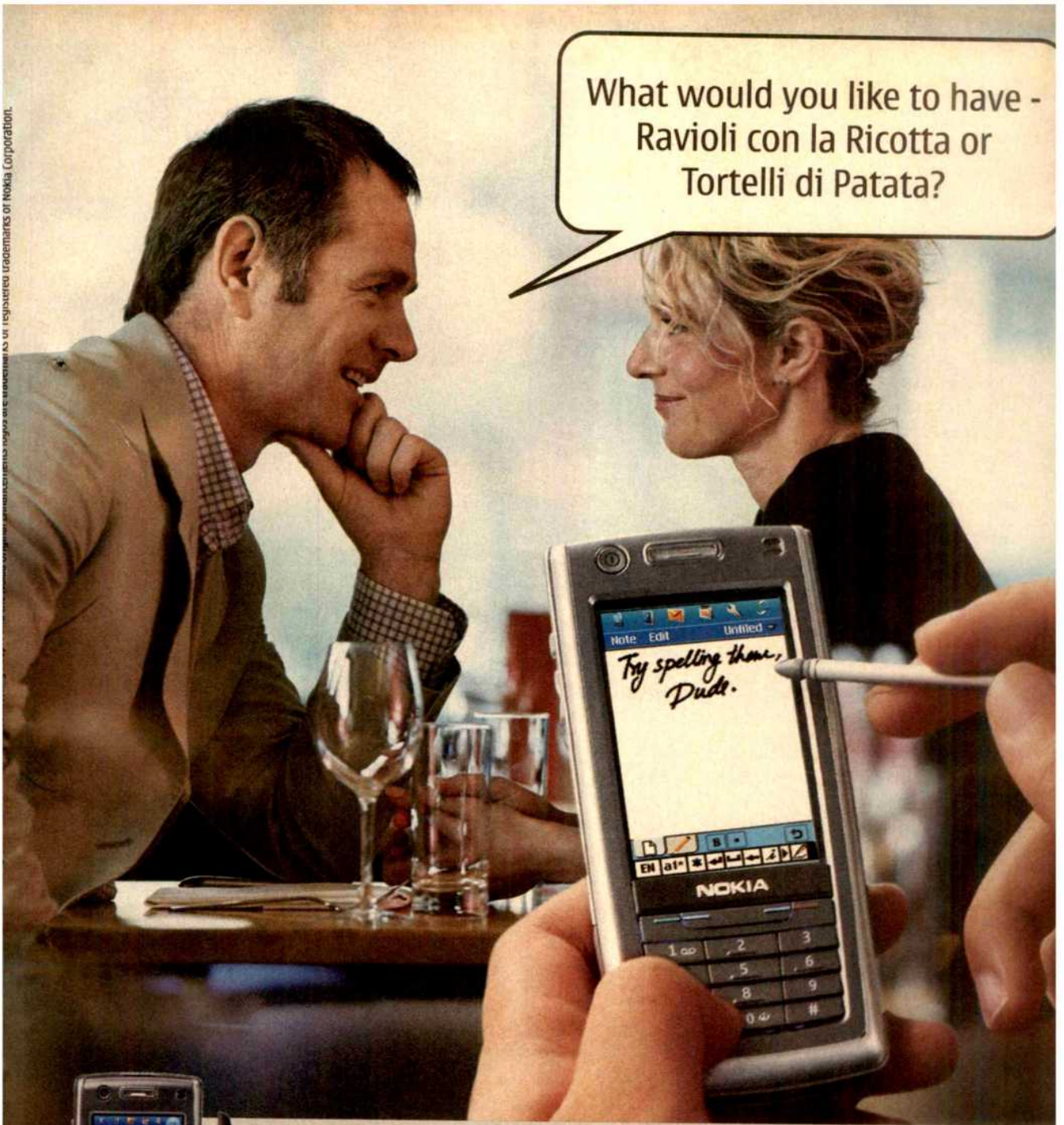

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IT Story Still Intact

The pullout of some IT firms from India points only to the failure of the captive model.

SOME OF THE RECENT HEADLINES have not been pretty: Apple logs out of India; Pervasive shuts down Indian operations; Sykes bids India goodbye; Dell to relocate some BPO work back to the US; Powergen packs up. Critics of the IT outsourcing story have seized upon these announcements to buttress their argument that India is getting way too expensive and that the quality of the Indian workforce is not really up to scratch. This latter argument, in particular, has gained ground as some companies have specifically cited quality issues as the main reason for their pullout from India.

Does the steady trickle—no; despite the screaming headlines, it's not a deluge yet—of such bad news signal beginning of the end of the Indian IT outsourcing story? No, say industry analysts emphatically. John MacCarthy, VP (Asia Pacific Research), Forrester, a Cambridge, Massachusetts-based technology and market research company, says: "A few failures among thousands of success stories do not herald any kind of slowdown. Let us not confuse issues here. We have to examine whether the failure is that of the captive model (for those who came in late, a captive is an exclusive setup which caters to in-house needs of a company only) or that of Indian IT model. I feel it is more a case of the former."

This is an argument with which Avinash Vasishtha, CEO, Tholons Inc., a Washington-based services advisory and investment firm, agrees. He says a majority of the companies which have had bad experiences have not done their homework properly. "Companies must have a very clear idea of what can be outsourced, when it should be outsourced and at what price such outsourcing will be financially viable. Companies must figure these issues out carefully for effective results. This requires process maturity that third party service providers like WNS and EXL have mastered," he adds.

Incidentally, most of the captives which have failed do not have sufficient economies of scale; they, thus, find it difficult to attract and retain talent and are also unable to spread their overheads across a sufficiently large number. Vasishtha also points to another significant fact: some players like Pervasive have not actually withdrawn from the Indian market; they have simply shut their captives and transferred work to a third party vendor (Aztec Software in this case).

With infrastructure management services, the third wave of outsourcing—the first was in services, and the second in BPO/ITES—set to take of in a big way, the Indian IT story is still intact.

VENKATESHA BABU

VIVAN MEHRA

POINT, COUNTERPOINT

THE CRITICS SAY	THE SUPPORTERS RESPOND THAT
Unhappy experience of a number of companies, including Apple and Pervasive, proves that the IT outsourcing model is a failure	Most 'failed' companies followed the, captive model and had less than 500 seats. In fact, the outsourcing wave is only set to intensify; infrastructure management services will be the next big wave
Indian IT talent is becoming way too expensive	While costs have risen, they are still a fraction of international (mainly European and US) cost structures
Quality of work is shoddy and deteriorating	80 per cent of the world's SEI CMM Level 5 certifications (the gold standard in the industry) are awarded to Indian companies
Alternatives like the Philippines, Eastern Europe and China are better	While these countries have come some way, India still retains a huge competitive advantage on process, quality and cost parameters

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FRESH FASHION

Nearshoring Is Here

Indian BPO companies are now moving up the value chain and closer to customers.

VANGUARDS OF A NEW WAVE

COMPANY	NEARSHORE CENTERS	NO. OF EMPLOYEES
Progeon	Czech Republic, China	110 Under 50
ICICI OneSource	Two in Northern Ireland by July-August	1,000
HCL Technologies	Two in the UK; one in Malaysia	2,000
24/7 Customer	Guatemala City	100
Intelenet Global Services	42 centers (in alliance with Transcom Worldwide)	10,700

Source: Companies

UMESH GOSWAMI

AFTER FIVE YEARS OF RUNNING an offshore call center in India, Powergen, a British energy company, decided to move it back to the UK in mid-June. This, its Managing Director Nick Horler says, will create 500 new jobs in Bedford, Bolton, Leicester, Nottingham and Rayleigh "and provide better quality service to our clients and reduce the number of complaints". Media reports quoted him as saying: "When customers contact us, they need to be confident that their query will be fully and quickly resolved. Although the cost of overseas outsourcing can be low, we're simply not prepared to achieve savings at the risk or expense of customer satisfaction."

Everyone *BT* spoke to for this report was emphatic that this move in no way signals the end of India's voice-based business offshoring story (also read *IT Story Still Intact*, page 18). They point out that several Indian companies, too, are getting into nearshoring, or the practice of setting up call centres near client locations. "This does not indicate that clients are not comfortable with offshoring work to India. Instead, it shows that Indian business process outsourcing (BPO) companies are moving up the delivery and value chain. The business is no longer about cost arbitrage, but about process expertise," says Ananda Mukerji, CEO and MD, ICICI OneSource, a large Indian BPO company which will, in July and August, open two nearshore centres in Northern Ireland. "Clients have realised that the Indian offshore centres have process discipline and process improvement capabilities which are lacking in their onshore operations, and they want us to replicate these qualities in their onshore centres," he says.

Progeon, Infosys' BPO, too, has two nearshore centres in the Czech Republic and China. The former was set up at the request of its client whose worldwide operations it services in 16 languages, including Finnish, Italian and Russian. It employs 110 people; 20 per cent in the voice-based business, and the remaining in transaction processing. "The documentation has to be done in various European languages, so it was imperative for us to set up a nearshore location," says Vijay Menon, the company's Vice President (Marketing). The China centre currently has less than 50 people, and was set up because the nature of the job required expertise in the local language.

HCL Technologies, which pioneered the concept of nearshoring in 2001, today has two delivery centres in the UK and one in Malaysia which handle front and back office processes and a technology help desk. The rationale for nearshoring: geographic risk hedging, process-related sensitivities, timeline alignment and cultural affiliation. Says Sumit Bhattacharya, Executive Vice President, HCL Tech.: "Having a global delivery footprint is a pre-requisite for these."

Powergen's exit from India, experts say, should not be seen as the beginning of a trend. "About 90 per cent of call centres focussed on the US and UK markets have voice-based business models. And though the voice business is very capital intensive and prone to risks, it is here to stay," says Suresh Ramani, COO, Intelenet Global Services, which is looking to take over boutique firms in the US and the UK to meet rising demand for nearshore delivery centres.

SHIVANI LATH

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AP

Bonding with viewers: Goodbye cricket (for now)

Football On Top

The FIFA World Cup rules the airwaves.

HERE ARE SOME NUMBERS TO ESTABLISH WHAT you already know—that World Cup 2006 has generated unprecedented interest from Indian television viewers and advertisers alike. According to ESPN STAR Sports, these matches have consistently generated TRPs (television rating points) of 3-4, pretty much at par with those of the ongoing West Indies-India cricket series. According to TAM Media Research, an agency that tracks television viewership, 4.4 million viewers watched the opening ceremony of the World Cup this time, against 2.1 million in 2002.

The pull of football has dealt a critical blow to general entertainment channels as well. According to TAM, viewership of sports channels (ESPN STAR Sports in particular) increased to 19 per cent on the opening day of the World Cup from 2 per cent the previous day; the corresponding viewership on Hindi and regional language entertainment channels dropped to 54 per cent and 27 per cent from 65 per cent and 33 per cent, respectively.

TAM analysis, however, shows that there was a 10 per cent decline in ad volumes this year compared to World Cup 2002. Also, the number of brands advertised last time was 22 against 18 this time. Says ESPN STAR Sports Managing Director R.C. Venkateish: "We wanted to provide an uninterrupted viewing experience to football fans and hence, have limited the number of ad spots." Interestingly, for the first time in India, football is commanding higher ad rates than cricket. A 10 second spot during the live coverage of a World Cup match costs Rs 80,000-1,00,000; a 10-second spot during the telecast of the India-West Indies series, only Rs 50,000-70,000. Says Sundar Raman, MD, Mindshare, a media buying agency: "Football delivers niche eyeballs compared to cricket which has become a mass sport."

ARCHNA SHUKLA

Customer First

Banks are launching newer products.

BANKS HAVE MOVED FROM THE TRADITIONAL PLAIN vanilla stuff of 10-15 years ago and now offer an entire gamut of services," says Rahul Bhagat, Senior Vice President (Retail Banking), HDFC Bank. Banks nowadays routinely pay the utility bills of customers, offer mobile and internet banking services and even recharge customers' mobile phones. There are other services as well. For example, HDFC's NetSafe service allows customers to make safe purchases online without disclosing their credit card number. All they have to do is create a virtual card, with a limit fixed by themselves, from their account that is valid only for 24 hours.

Development Credit Bank (DCB) recently introduced M-power, a current account without any minimum balance requirement, several free benefits and a zero-balance savings account. The latter, offering a free 90-day trial "comes with a service guarantee which no other bank provides", says P.N. Vasudevan, Head, Consumer Banking Group, DCB. ICICI Bank has also launched two products that are "completely unique", claims V. Vaidyanathan, Head, Retail Banking, ICICI Bank. Its new ATM-FD provides the liquidity of an ATM card on a stand-alone fixed deposit account and 'Flexi-RD' allows customers to change the amount they deposit every month into their recurring deposit account.

A SLEW OF PRODUCTS

PRODUCT/SERVICE	BANKS WHICH OFFER IT
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■ International or travel card	HDFC Bank, IndusInd, DCB, ICICI Bank, SBI
■ Free mobile recharging	IndusInd, DCB, HDFC Bank, ICICI Bank
■ Zero minimum balance account	DCB (HDFC Bank and IndusInd in no-frills account)
■ Online bill payment	DCB, HDFC Bank, ICICI Bank, IndusInd
■ One online account for multiple bank accounts	HDFC Bank ('OneView')
■ Special card for online purchases	HDFC ('NetSafe'), ICICI (internet-only card)

Listing is indicative

Source: Company websites

Why are banks doing this? Says Bhagat: "Consumer banking is all about providing customers with convenience and choice." Vaidyanathan says this creates a "win-win situation for banks and consumers". Whatever the reason, banks are on a roll when it comes to pleasing their clients, and customers aren't complaining.

NAMITA JOHRI

Big Bazaar offers value.
And not just to its customer.

a future group retail idea

What you see, is Big Bazaar providing value to the customer. What you don't, is 30 Big Bazaars across India providing value to many others.

Value, to those who benefit when property prices shoot up around Big Bazaar locations. Value, to the entrepreneurs Big Bazaar sources from. Value, to cottage industries in the vicinity. Value, to 14,000 employees. Value, to shareholders.

Value, we have realized, is truly a great idea.

BIG BAZAAR

Is se *sasta* aur *achha* kahin nahi!

Q&A

"India Is A Very Attractive Market"

HUW JENKINS, CHAIRMAN AND CEO, UBS Investment Bank, is extremely bullish on India. That's not surprising considering that it is his bank's fastest growing market in revenue terms in the Asia-Pacific region. He spoke to BT's **Krishna Gopalan** *about India's potential and how it has become a key market for* UBS. *Excerpts:*

How does the mergers and acquisitions (M&A) scenario in India compare with the situation five years ago? What makes the market so attractive to UBS?

Then, the size of transactions and the confidence of management teams with respect to investing in, taking over and operating a foreign asset were remarkably different. Clearly, from the point of view of a global investment bank, I cannot now ask for a more interesting and exciting market to be involved in. The level of aspiration and confidence of Indian management teams, the amount of capital they are raising and investing in their businesses and the broad-based interest of international investors in getting exposure to India, makes it a very attractive market for an investment bank such as us.

What are the key challenges for you in India?

We have a good M&A business and also a good equities business (both primary and secondary). We need to recognise that we are probably going to see more activity in the mid-cap space. It's going to be a challenge for us to broaden our footprint. The opportunities in the fixed income capital markets are another big challenge for us. We would like to see developments on the bank branch licence front. One of the things you are seeing in the world at large is that credit markets are getting more liquid and are an alternative to equity markets. For us to have a business which is based only on equities and investment banking, without having debt, capital market, sales and trading capabilities, is not ideal. We would love to bring the breadth of our products to India. In most other markets, we have a reasonably broad-based presence in both the fixed income business and investment banking and equities business.

So, where does that leave India?

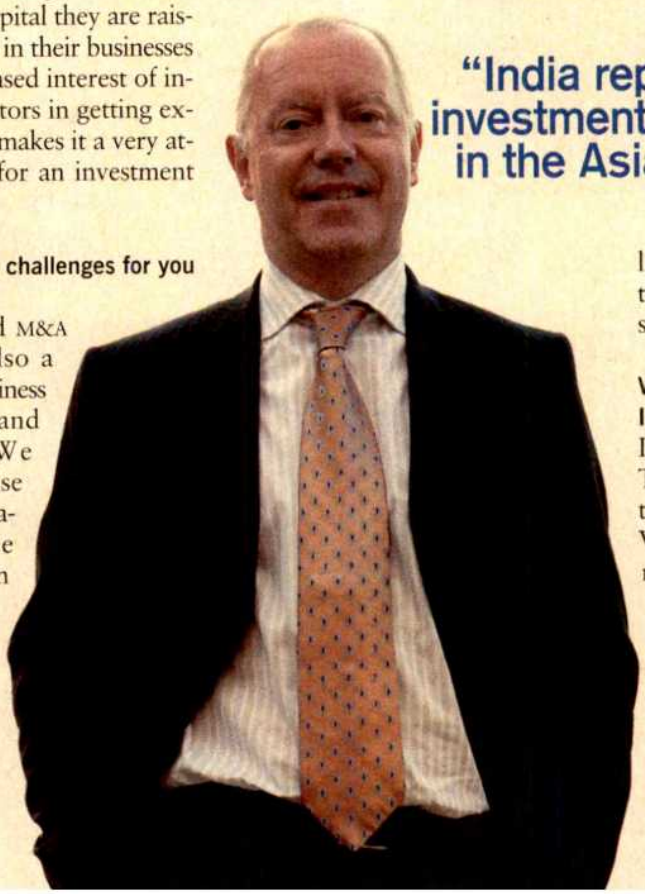
Asia-Pacific, I think, should include Australia and Japan. We are the leading investment bank in Australia and have a very strong business in Japan. Over the last two to three years, though, India has been the fastest growing market in revenue terms. From our point of view, India probably represents the best investment opportunity for us in the Asia-Pacific.

There are huge M&A deals taking place in other parts of the Asia-Pacific region. India is still not so big. Is that a cause of concern?

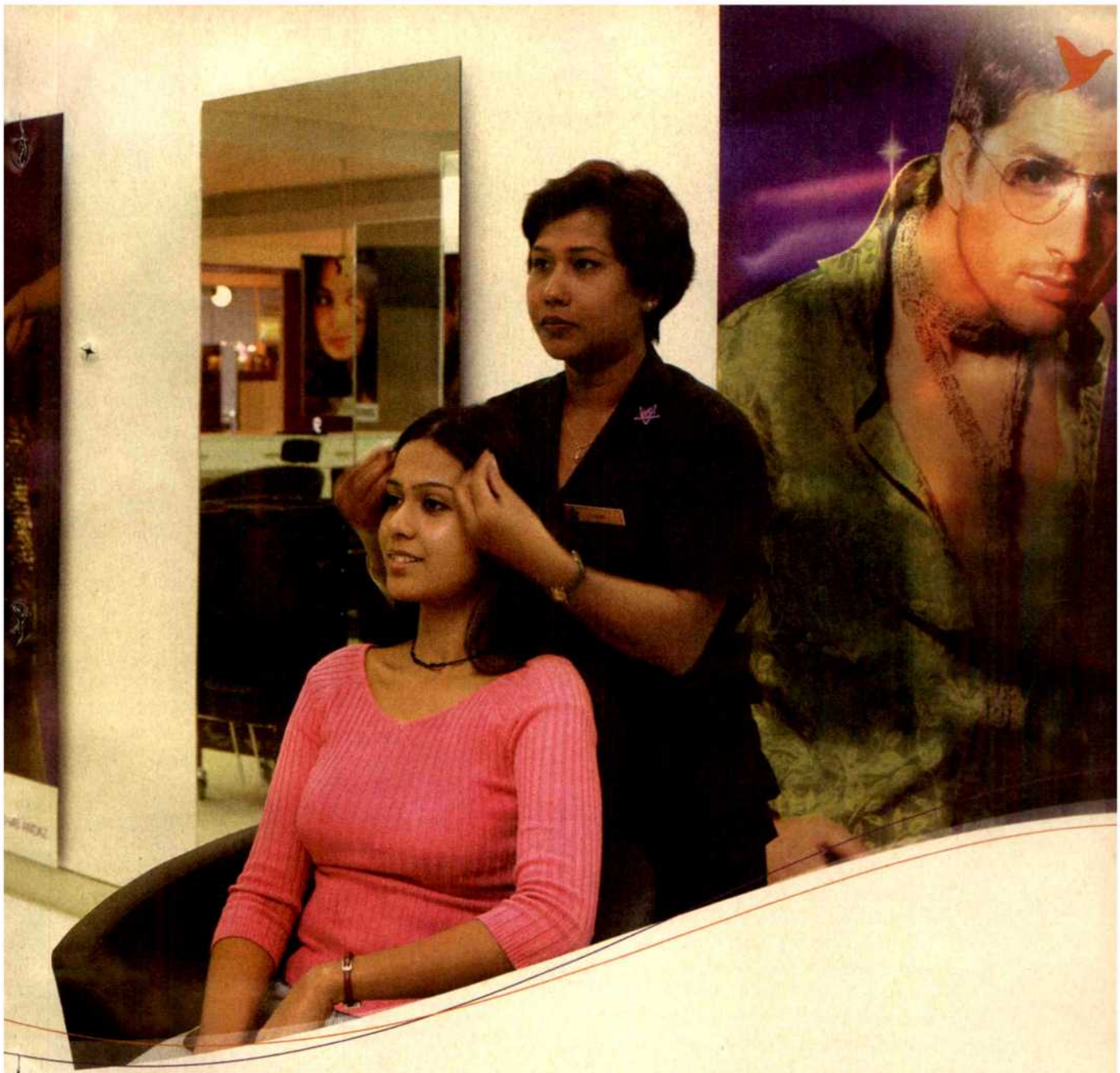
The biggest deal we worked on last year was when we advised Gillette on its sale to Procter & Gamble (that deal was worth $57 billion, or Rs 2,56,500 crore then). Clearly, it's very prestigious and significant to be involved in these large transactions, but the reality of life is that one gets to deal mostly with medium and large companies getting together and falling apart. The opportunities in India are very attractive. You may not see too many $10-billion (Rs 46,000 crore) deals, but there is a very good chance of several billion-dollar deals.

What are the key areas of concern in India?

Infrastructure is a key concern. Two, I think the challenge is to attract and retain the right talent. We want to create an environment where we can attract the best talent and that can get difficult in a bull market. For us, it is important that we are consistent and committed to our investment strategy to India.



"India represents the best investment opportunity for us in the Asia-Pacific market"



Look beautiful, stay fit, be healthy. Everywhere in India.

a future group health & beauty idea

Today, the latest tredns are not restricted to the cities. And the latest ideas in beauty and fitness are spreading across the nation.

Which is why we have Health Village. With beauty products and services under Star & Sitara followed by Tulsi pharmacy - medicines and healthcare products, health care services including diagnostics and finally fitness services - gymnasiums and fitness equipment for your home and for professional gyms.

Step in. To look beautiful, stay fit and be healthy.

STAR & SITARA
SALON BEAUTY PARLOUR

Tulsi
the medicine bazaar

SOUMIK KAR

Fear Factor: Will the Sensex rise today?

Plunging Fortunes

These are a bad time to be a day trader.

SHAREKHAN, ANGEL BROKING AND MOTILAL OSWAL SECURITIES...THE addresses are different, as are their individual décor. But the day traders—people who take positions on the market and square off before the close of the day's business—who sit behind these machines could actually be at any of these or dozens of other firms and no one would know the difference. There's another thread that binds them together these days—an all-pervading mood of depression. As the BSE Sensex began its downward spiral on May 10 (after touching a record high of 12,612 points on that day), its trend line reflected the sentiments of this tribe.

Expectedly, then, their feelings dipped to their nadir on June 14, when the Sensex closed below 9,000 for the first time this year. Pandemonium reigned that day. Everyone seemed to be on an ultra-short fuse. The Sensex ended the day at 8,929.44. Exclamations such as "*khallas*!" (finished) and "*dhulayee*!" (Mumbai slang for "we're ruined") were the themes of the hour.

Cut back to the present. Snehal Shah, who has been in the trade for two years, says he's down Rs 10 lakh. "The Rs 50-lakh I earned when the market was doing well has been wiped out," he says. Sandeep Vaswani, Manager of the Bandra branch of Angel Broking, says: "Several day traders have taken a heavy beating and have withdrawn. In retail trading, our business has gone down by approximately 40-50 per cent after the crash. The number of traders in my branch has decreased by about 20 per cent over the last month. Margins have been increased for traders in the futures markets." Viral Doshi, another day trader, believes it will take at least six months on average for traders to recoup the losses they have suffered over the last month.

A minority of this tribe, however, is trying to put the mayhem behind and move on. "If the opportunity presents itself, I will still buy," says Hitesh Sawhney, who escaped the bloodbath with only minor bruises, as "I am a disciplined trader, quick to book profits or losses". Others like Mayur Kamath are philosophical. "I've been trading for the past 10-12 years and it's been profitable overall," he rationalises.

The mood lifts somewhat on days the Sensex looks up. There are nervous smiles all around and renewed hope that the worst is over. But the underlying sentiment remains one of fear and uncertainty.

NAMITA JOHRI

CALL OF THE HEARTLAND

WELL, WHAT DO YOU KNOW? Designer jewellery company Gitanjali Gems, high-end cosmetics major L'Oreal and mobile phone maker Nokia are among a host of companies targeting the growing market outside the big cities.

Gitanjali Gems' D'damas range of diamond jewellery now mobilises 15 per cent of its sales from Tier-II and Tier-III towns such as Durgapur in West Bengal and Hubli in Karnataka. Says Mehul Choksi, the company's Managing Director: "We have a massive television campaign, and so, our brand reaches all markets. Consumers, irrespective of their location, are aware of, and aspire for, the brand." The company uses the franchisee model to sell branded jewellery in these towns as "local people have the best knowledge about local markets and the marketing strategies needed to crack them open."

Nokia, too, wants to sell its more expensive phones in these markets. "Our best selling models in rural markets are the Nokia 1100/1600 (both priced below Rs 3,000), but the Nokia 6600 (Rs 9,000), which has a camera and multi-media facilities, is attracting increasing numbers of buyers in rural areas," says a company spokesperson, who, however, declines to reveal areawise sales data.

Says brand marketing expert Harish Bijoor, CEO, Harish Bijoor Consults Inc.: "Every brand that is present in the urban market has to be present in rural India as well. The market is huge and disposable incomes are on the rise. The trend started with Bata, and today includes mobile phone, jewellery and cosmetic companies."

SHIVANI LATH

Create a space people love to come to. And that becomes the city centre.

a future group retail idea

Urban India needs public spaces. Spaces where people from all walks of life can come to spend time and money. Where they can shop, eat, celebrate.

It was this insight that led to the creation of Centrals in Bangalore, Pune and Hyderabad. And today, in these cities, Central is central. People are shopping for global brands, sampling world cuisine, hanging out, spending time. Soon, every city will have a Central.

CENTRAL

SHOP, EAT, CELEBRATE! IN THE HEART OF OUR CITY

Foreign Bodies

Students from the developed world now want to do internships at Indian IT companies.

HERE'S MORE PROOF that India Inc. has arrived on the global business stage. This year, leading Indian IT companies—the face of Indian business to most people in the Occident—have received as many as 15,000 applications from students across the globe to work in their India offices.

"Today, all major international companies have an India strategy; and young professionals in the West are only following this trend at the individual level," says S. Padmanabhan, Executive VP and Head (Global HR), Tata Consultancy Services (TCS), where 60 interns from across the globe are working. And not all of them are techies. "We had an intern from Brazil in our HR department in Mumbai. She subsequently joined our HR department in Brazil," he adds.

GIREESH G.V.

Brand ambassadors: Drawn by Infosys' reputation

Infosys' global internship programme, InStep, received over 12,000 applications from the US, Canada, Mexico, France, Germany, South Korea and the Philippines for 125 positions. "The key attraction is that we place them (interns) on live projects in areas ranging from marketing to enterprise solutions to corporate planning," says Sanjay Purohit, Associate VP and Head (Corporate Planning), Infosys, which hires interns for between eight and 24 weeks. The screening procedures are stringent. Says Purohit: "We recruit only students with the highest cumulative grade point averages whose profiles suit the project in hand." The companies did not disclose how much they pay interns, except to say they get a monthly allowance to take care of all living costs.

Students are candid in their praise for Indian companies. Says Tim Hentzel, a student from Wharton Business School, who is working at Infosys' Bangalore campus: "Infosys has the same draw as Silicon Valley in the late 90s; it's a focal of point of technology, investment and innovation." Adds Reynaldo Roche, a student of Darden Graduate School of Business, University of Virginia, also an intern at Infosys: "The opportunity to work in India is very important for anyone who wants a global perspective, as India will be one of the world's top economies in the next five-10 years," he says.

How do Indian companies promote themselves at western campuses? Says Purohit: "InStep interns act as effective brand ambassadors, spreading awareness about the company at various campuses across the globe." The programme, he adds, is built on the philosophy that the interns will someday become Infoscions, customers or even investors. TCS feels much the same way. "Our internship programme enhances the diversity of our employees and the cultural mix of the corporation," says Padmanabhan.

"Students want to come to India for internships and work because they believe it can provide them with a wide array of experiences necessary in a globalised world," says Dezso Horvath, Dean of Schulich School of Business, York University, Toronto. The school is looking to set up a campus in India and is currently scouting for land and funding. Aiesec, the world's largest student organisation, helped 861 foreign students get internships in India in 2005. This year, in the first six months, its has already placed 313 foreign students in Indian companies. Abhinav Gupta, Communications Manager, Aiesec International, says: "It's a two-way process; students from other countries want to come to India because of the way it is profiled in the media. This suits Indian companies which are expanding their operations abroad." Ramona Sandu from Ovidius University, Constanza, Romania, who is doing a one-year internship at TCS' HR department in Mumbai, sums up the feelings of foreign students. "The faster you become a global citizen, the better for you," she says.

SHIVANI LATH

Just because slim is in doesn't mean that anyone a little larger is out.

a future group fashion idea

Today, slim is in. And those of us a little larger are forced to buy XL and XXL versions of cuts and designs for the slim.

aLL however, looks at fashion a little differently. With cuts and patterns exclusively for those a little larger. So that the happy, larger lot does not have to fit into clothes for the slim.

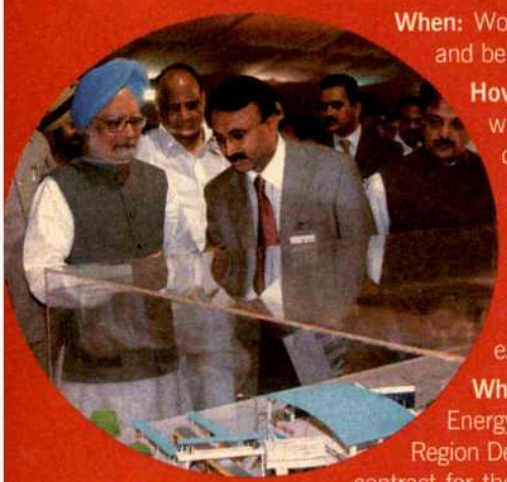
a little larger

aLL

TOP OF MIND

Mumbai Metro

What: The Mumbai Metro Rail project, which is expected to ease traffic flows in India's financial capital. It was inaugurated by Prime Minister Manmohan Singh on June 21. The first phase will start from Versova in west Mumbai and terminate at Ghatkopar in central Mumbai. The total distance: 11.7 km



When: Work on this will commence in October and be completed by 2009

How much will it cost: The first phase will entail an investment of Rs 2,356 crore

What next: There are three more phases with different timelines. The total cost of the project is Rs 19,525 crore; it will cover a total distance of 146.5 km and the entire project is expected to be completed in 2021

Who is in charge: Anil Ambani's Reliance Energy and MMRDA (Mumbai Metropolitan Region Development Authority) have bagged the contract for the first phase. Reliance Energy had to downscale the viability gap funding from Rs 1,251 crore to Rs 650 crore

KRISHNA GOPALAN

Methane Power

Fishing: For energy

What: A government-run programme has struck significant reserves of gas hydrates in the Krishna-Godavari Basin off the country's east coast

What are they: Gas hydrates, also called clathrate hydrates, are ice-like crystalline molecules containing gas, usually methane, and surrounded by a cage of water molecules

So what: Extraction of methane from this source can address some of India's energy concerns. Studies show that there could be big volumes of methane hydrates at depths of up to 2,000 metres below the Earth's surface

The catch: Methane is 10 times more powerful a greenhouse gas than carbon dioxide

How can it be exploited: The technology for exploiting methane hydrates on a commercial basis is still under development at the Oil and Natural Gas Corporation (ONGC) in India. Japan and the US are the other countries where such research is being carried out

KAPIL BAJAJ

ECONOMY WATCH

MONSOON

Status: Delayed. After 12 dry days from June 9-22, the South-West monsoon has finally revived over the southern part of the country. It is expected to cover the entire country by July 15. The Indian Meteorological Department estimates that there's a 22 per cent probability of it being deficient by 10 per cent.

Impact: "The delayed monsoons, coupled with inequitable distribution of rain, may lead to 10-15 per cent lower foodgrain production this *kharif* season," says Tuhin Kumar Singh, Research Analyst, Agriwatch. However, he adds that if rainfall remains normal from now till September, the effect on foodgrain output might be minimal.

OIL PRICES

PINAKI PAUL

Status: Heading north

Impact: Will affect every sector of the economy and every section of society. Global crude prices are ruling at about $70 (Rs 3,220) per barrel. If prices rise further, and domestic prices rise in tandem, India's growth story will come under severe pressure. Besides, the government will have to fork out billions of dollars more for buying oil abroad.

COMPILED BY PALLAVI SRIVASTAVA AND ANAND ADHIKARI

Everything that goes into making a house
And then, everything to make it a home

a future group home idea

The Future Group, after ideas for India in food and clothing, brings you ideas for homes. Ideas to ensure that everything you need to create a home is sourced and made available. HomeTown brings you everything you need to build a house, from the brick to the accessory. All sourced and available under one roof. Collection-i has all the interior ideas you need, furniture to furnishing. ezone, for the high-end electronic goods you need for your home. And Got It!, for utility products.

And there, your home is ready.

GOT IT!

HomeTown
Sajao. Savaro. Sapno ka Ghar Banao.

collection i
IDEAS FOR GOOD LIVING

ezone
EXPERIENCE ELECTRONICS

P-WATCH

A bird's eye view of what's hot and what's not on the government's policy radar.

ELECTRONIC FILING OF DOCUMENTS MANDATORY AT ROCS

TOWARDS GREATER TRANSPARENCY

The new system will:

- Eliminate the need to physically visit RoCs to file documents
- Allow registered users to track status of applications online
- Increase public access to documents
- Cut down harassment and delays
- Result in a dramatic savings in time

COME JULY 1, AND COMPANIES will have to electronically file their annual statements with the Registrars of Companies (ROCs). So far, companies had to physically file these annual statements relating to registration, compliance, etc., at any of ROCs across the country. Individual ROCs are converting existing documents into electronic form. The project is expected to help reduce red tape and bring greater transparency into the system. It will also reduce the incidence of corruption by precluding companies from filing false, misleading or incomplete documents. Registered users will also be able to track the status of their applications, online, thus, reducing harassment and delays. The public at large will also now be able to access corporate documents more easily on payment of a prescribed fee.

ANAND ADHIKARI

BANKS MAY FIND IT TOUGH TO MEET BASEL II DEADLINE

SOME INDIAN BANKS MAY NOT ADHERE TO THE MARCH 31, 2007 DEADLINE FOR complying with Basel II norms. Several public sector banks have already informed the Reserve Bank of India about their inability to provide additional capital. They are, in fact, struggling to meet the RBI-mandated tougher provisioning norms on standard assets. In such a situation, they say, that it will be well nigh impossible for them to meet the additional cost of complying with Basel II norms. Under these norms, they will have to maintain a stringent capital adequacy ratio depending on the quality of assets they have on their books and the bank management's assessment of such risk. Data collection for such risk assessment has been a major issue with banks in India. Given government ownership, which must, out of political necessity, remain above 51 per cent, several smaller banks may find capital constraints just too much to handle. RBI will take a decision on the matter soon.

SHALINI S. DAGAR

COAL TRADE MAY BE REVAMPED

THE COAL TRADE MAY SOON TAKE ON A NEW LOOK. FOR ONE, DOMESTIC PRICES may soon be linked to global prices. The Planning Commission has recommended that high quality coking and non-coking coal should be sold at a price that is equal to its import price at the nearest port minus 15 per cent. Steel plants are already paying for good quality coke using this formula. The commission also wants 20 per cent of the total coal production to be sold through e-auctions. The balance, it has recommended, should be sold through long-term fuel supply and transport agreements with users. The coal ministry will take a decision on the recommendations only after studying them in detail. No time frame has been set for the decision.

AMIT MUKHERJEE

SERVICE TAX AT POST OFFICES

SERVICE TAXPAYERS IN DELHI WILL be able to file their returns at select post offices. A pilot project will kick off in the Capital in July in about 20 post offices. "The idea is to make it convenient for assessees to file their tax returns and register themselves without any hassles," says Gautam Bhattacharya, Commissioner, Service Tax, Central Board of Excise and Customs. It will be rolled out nationally after the results of the pilot project are assessed.

KAPIL BAJAJ

POs: Now pay your service tax

PADDY SUPPORT PRICE LIKELY TO RISE

THE GOVERNMENT IS LIKELY TO increase the paddy procurement price soon. The idea is to avoid a repeat of the wheat procurement fiasco—the government was unable to procure adequate quantities to replenish its buffer stocks due to high prices. "A Cabinet decision needs to be taken. Apart from the possibility of an increase in paddy procurement price, coarse grains are also likely to be procured to cope with the shortage in supplies," an agriculture ministry official says.

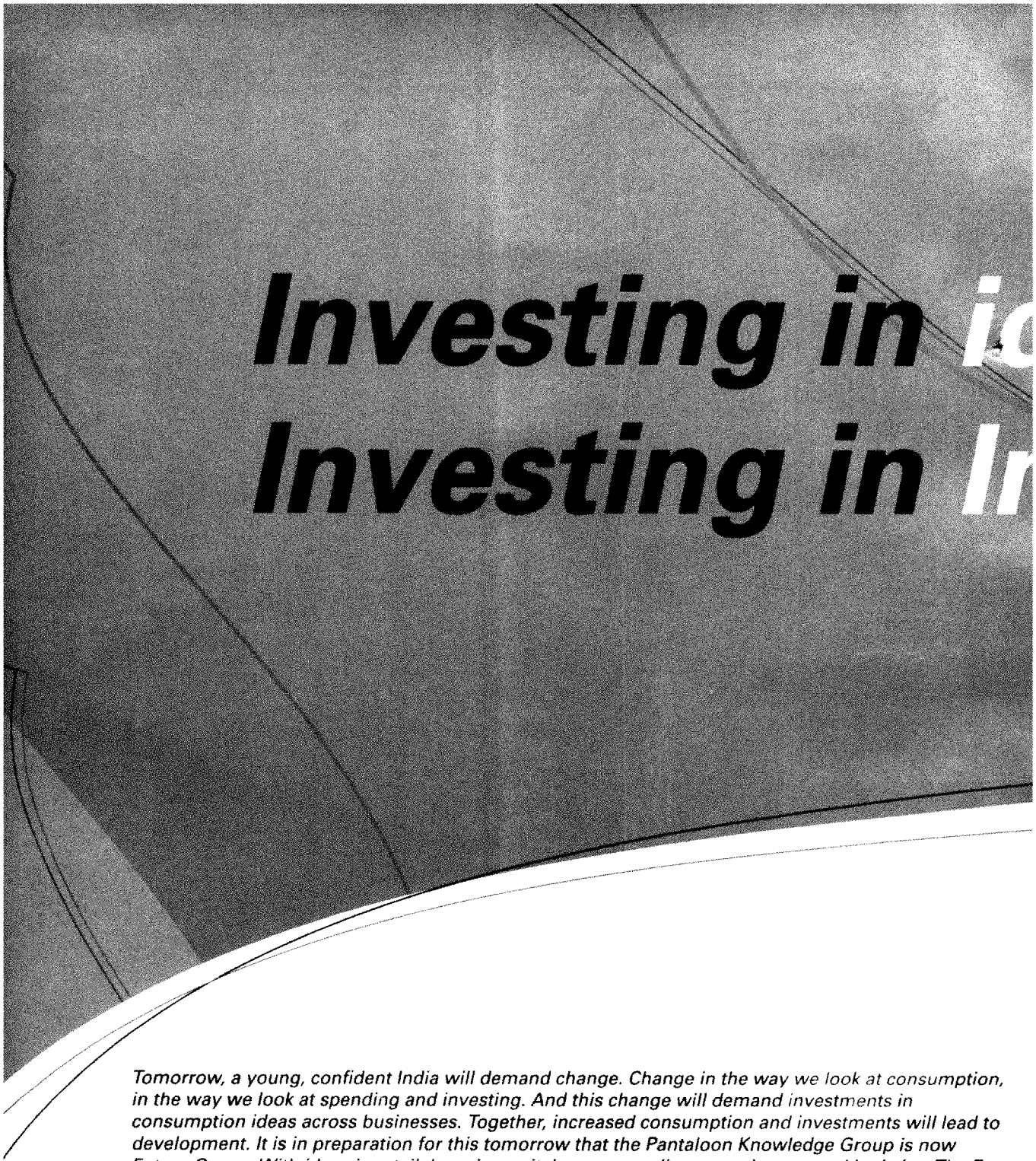
SHALINI S. DAGAR

Home, office. Office, home
About time India has a third destination

a future group space ide

To stroll, to stare, to eat, to unwind, to shop. Every town and city needs to have a destination . The third destination after home, office. Through Kshitij and Horizon Funds, the Future Group is investing in property, consumption spaces and destinations across India. In metros, mini metros and smaller cities, everywhere. With over 60 malls initially and more to come.

KSHITI
RETAIL DESTINATIONS



Tomorrow, a young, confident India will demand change. Change in the way we look at consumption, in the way we look at spending and investing. And this change will demand investments in consumption ideas across businesses. Together, increased consumption and investments will lead to development. It is in preparation for this tomorrow that the Pantaloon Knowledge Group is now Future Group. With ideas in retail, brands, capital, space, media, entertainment and logistics. The Future Group. Ideas today, for India tomorrow.

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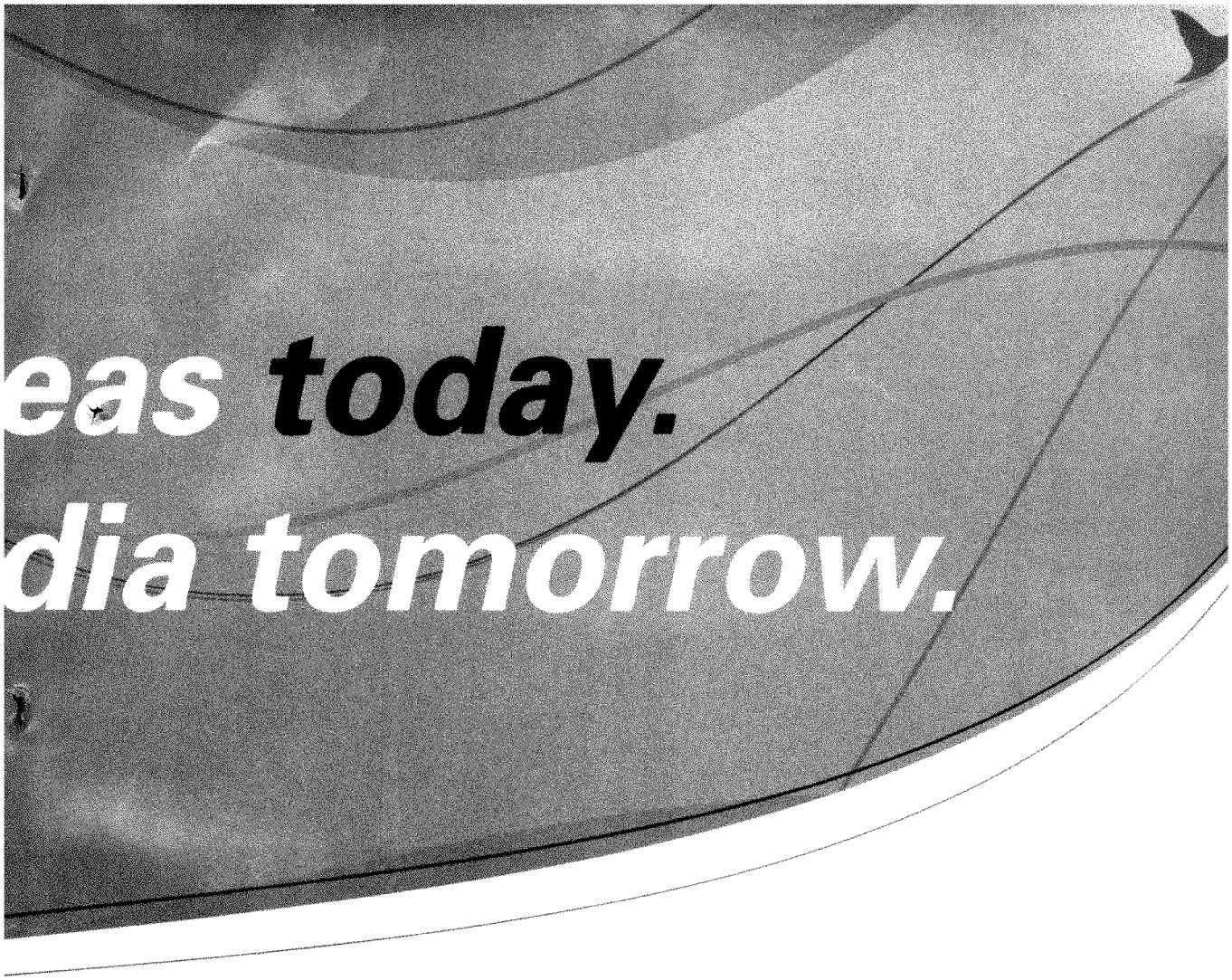
FOOD STOP · KORYÔ · FRESH PURE · Tasty treat · STAR SITARA · mbazaar · SCULLERS · INDIGO NA

FUTURE RETAIL FUTURE BRANDS FUTURE CAPITAL FUTURE SPACE FUTURE ENTERTAINMENT FUTURE MEDIA FUTURE LOGISTICS



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The Future Group ident by is inspired by the term 'sone ki chidiya', what India was once referred to as. 'For her prosperity, intellectual, spiritual and material'. 13 centuries later, the world looks to India again. And again, the 'sone ki chidiya' will soar.

Unsound Advice

Junk fiscal prudence, government told.

WHAT THE PLAN PANEL WANTS

- Government should defer the 2008 deadline to eliminate the current account deficit
- Higher expenditure on social and developmental projects
- Deregulation of the sugar and fertiliser sectors
- Review of the mineral policy
- Free market pricing of petroleum products and targeted subsidies

BEG OR BORROW, BUT SPEND MORE. THIS, IN A sense, appears to be the Planning Commission's advice to the government to ensure an 8.5 per cent growth rate in gross domestic product (GDP) during the 11th Plan period (2007-12). In a recent draft approach paper, the Commission has argued for relaxation of the fiscal discipline regime that the government undertook to implement two years ago. The fact that discipline doesn't come easy has already been demonstrated; the Fiscal Responsibility and Budget Management (FRBM) Act was put on pause mode last year. While the FRBM Act aims to eliminate the revenue deficit by 2008, the Commission wants to defer this deadline.

The planning body of the government, which has lost its relevance in almost all sectors apart from infrastructure, has argued on the basis of preliminary estimates that the allocation of funds for development projects for states as well as the Centre be increased from 7.15 per cent of GDP, during the 10th Plan period (2001-06) to around 9.5 per cent in the next five years.

Although the Planning Commission's role in framing government policies has taken a back seat in recent times, the government is unlikely to dismiss its advice on reviewing the FRBM Act, as it offers scope to indulge in more populism. Moreover, the plan body has pegged its argument on the practice adopted globally, where fiscal responsibility legislation does not take into account revenue deficit management. "It is not a good idea to tinker with the FRBM Act. Although there is nothing sacrosact about the Act, nevertheless, stability and continuity in government demands that it sticks to the rules," says Kavita Rao, Senior Fellow, National Institute of Public Finance and Policy (NIPFP).

Sure, global practices ought to be adopted, but not on a selective basis.

BALAJI CHANDRAMOULI

IT's Time For SMEs

IT giants eye huge business opportunity.

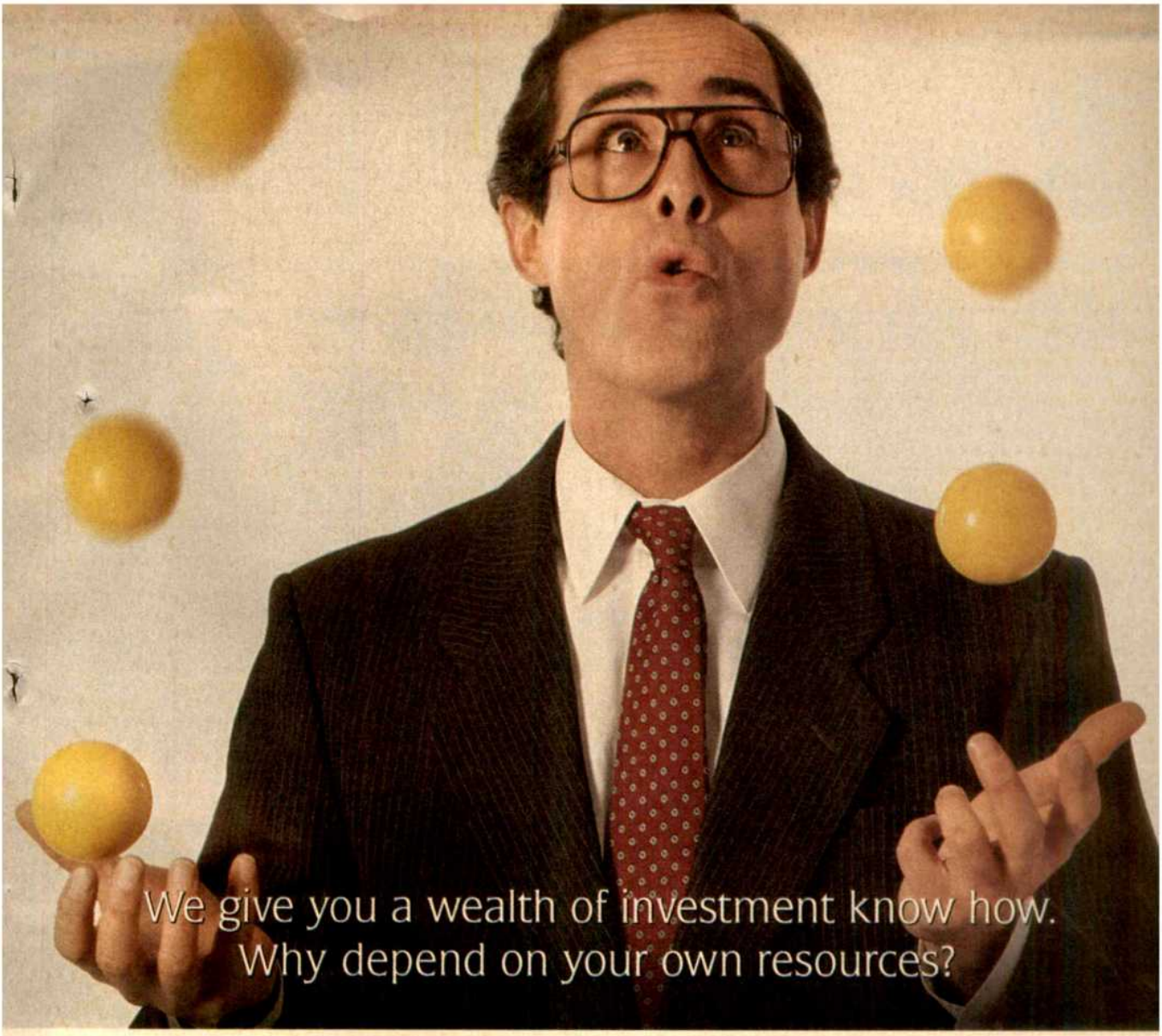
HISTORICALLY, THE IT INTENSITY AT SMALL AND medium enterprises (SMEs) has been very low, but as they grow, they will need IT solutions to de-bottleneck internal constraints," says Alok Shende, Director (IT Practice), Frost & Sullivan. He estimates that SMEs across the country spent around $9 billion (Rs 40,500 crore) on IT in 2005; and that this number is galloping along at 27 per cent year-on-year.

"The SME market is no longer a side show for us," says Subhodeep Bhattacharya, National Manager, Marketing, Hewlett-Packard India, adding that small business owners don't have homogenous technology requirements. "Small companies are all aggressively investing in IT today. Though they can't afford a full-fledged ERP or CRM package, they don't often need many of the bells and whistles that large corporations do, so we build customised solutions for them," he explains. IT companies now offer integrated solutions for their SME clients. ICICI Bank, HP and Intel have recently tied up to address the problem of finance by providing credit ranging from Rs 1 lakh to Rs 50 lakh to small enterprises. IBM has created facilities where smaller software vendors can port their applications on to IBM platforms and customise them for small businesses. "Several companies have used our centres in Delhi and Bangalore for providing such technology solutions," says Ganesh Margabandhu, Director, Global Mid-market Business (South Asia), IBM. "The real growth in SME business will happen now," he says.

RAHUL SACHITANAND

POINTS OF CONVERGENCE

- SMEs are under-invested in technology; as they begin to operate in a global market they will be compelled to adopt IT
- According to IDC, Indian SMEs spent $5.6 billion on their technology requirements in 2005 out of a total domestic market of $8.6 billion; Frost & Sullivan pegs it even higher at $9 billion
- Technology companies are devising special packages and solutions for SMEs to suit their smaller budgets
- The largest chunk of the budget is spent on networking, telecom, hardware and enterprise software
- The SME market is growing at well over 20 per cent, compared to 15-16 per cent for the rest of the domestic IT industry



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'Tis The Season To Fly

Airlines are offering special fares and incentives to woo flyers this monsoon season.

MONSOON OFFERS

Air Deccan	50,000 tickets at Re 1, Rs 500 and Rs 1,000 (across all sectors)
SpiceJet	23,000 tickets at Rs 99, Rs 299 and Rs 499 (across all sectors)
GoAir	10,000 tickets 'free' every month
Indian, Jet, Kingfisher	Special monsoon destination package deals

THE ADS TALK OF RE 1, RS 99 and Rs 500 air fares. But why the sudden rush of rock bottom fares even from carriers that historically offer low fares? The answer: to shore up the abysmal passenger load factor (PLF) encountered by the airlines during the monsoons.

A SpiceJet spokesperson says the low-cost airline has seen load factors of 92 per cent in May, but admits the number is expected to decline 7-8 per cent in June. "The cost of flying a plane from Point A to Point B is more or less constant. And seats are perishable goods. That means empty seats mean losses for airlines. So, it makes sense for them to sell seats at a steep discount; it is better than making no money at all," explains Deep Kalra, CEO, MakeMyTrip.com, an online travel portal.

There are some other reasons for the PLF decline during the monsoons. This period is considered inauspicious in the southern states (which see the biggest drop in passenger numbers); also, this is the traditional holiday season, so business travel (which still accounts for the majority of travellers) drops.

"If you want to plan your travel in advance, now is a great time to do it," says G.R. Gopinath, CEO, Air Deccan. But he warns that despite Air Deccan, SpiceJet, GoAir and others offering bargain basement fares, not all passengers will be lucky. "Every airline has complex yield management systems, which raise fares on days a lot of travellers are flying. When we say we have 10,000 Re 1 or Rs 500 tickets, it does not mean that they are equitably distributed through the system."

SpiceJet has a similar policy. "We have 23,000 Rs 99, Rs 299 and Rs 499 tickets, but these are almost always on routes that need to be promoted—like Delhi-Chennai or Delhi-Kolkata. You are unlikely to find these fares on the Delhi-Mumbai or Pune-Bangalore or Mumbai-Hyderabad sectors where demand is very high," says a company spokesperson. Similarly, since Goa sees a downturn in traffic during the monsoons, discounted fares to Goa are available even on full-service carriers such as India, Jet Airways and Kingfisher, which tend to package their deals in conjunction with large hotel chains. A three day-two night package at a five star resort in Goa, including airfare, is available for about Rs 10,000 ex-Mumbai.

And though these fares will be harder to come by once business travel perks up again in end-July, MakeMyTrip.com's Kalra feels that passengers might still get a good deal. "With carriers like IndiGo and Jagson starting up and GoAir becoming more aggressive and expanding in a big way, I don't think that you will see fares increasing significantly on routes that have major competition, even during the peak October-March period. There has never been a better time to be an air-passenger."

KUSHAN MITRA

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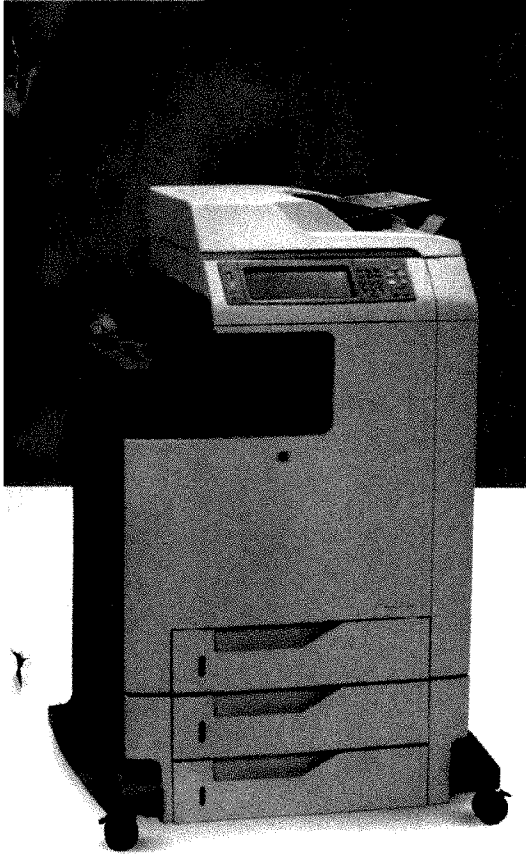

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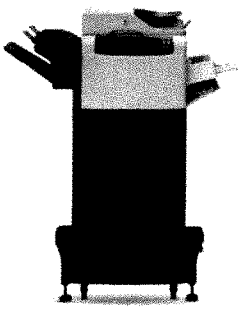
3 year warranty



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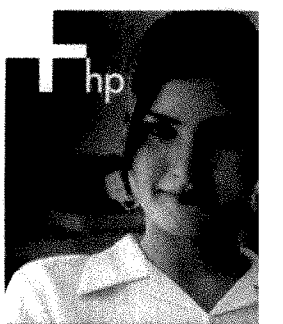

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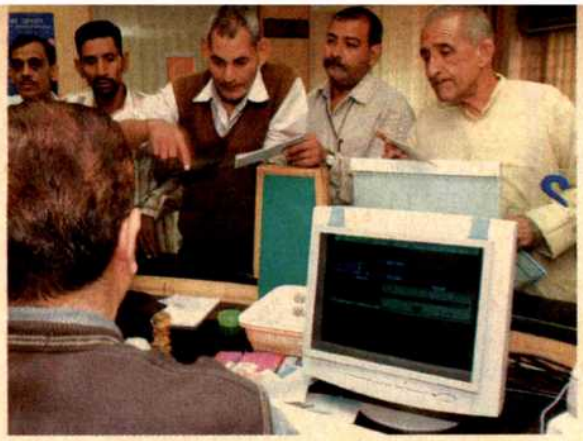


Losing out: Finally, its pensioners who pay

Opportunity Lost

The Pension Bill imbroglio has cost crores.

AS THE LEFT PARTIES CONTINUE TO ACT AS PEEVED partners of the UPA government, one of its antics is hurting its own constituency. As the Pension Fund Regulatory and Development Authority Bill hangs fire due to opposition from the Left, the employees who joined the New Pension Scheme (NPS) from January 1, 2004, onwards are losing out as their pension contributions are sitting idle or earning extremely low returns—typically 5-8 per cent. The equity market, during this period, has doubled, dipped and risen again.

Under NPS, employees joining the central or state governments or autonomous bodies moved to the defined contribution pension regime, in contrast to the earlier defined benefit scheme. The new system was to work as follows: pension contributions from individuals would flow to a Central Recordkeeping Agency, which would allocate these to pension fund managers (PFMs) on the basis of individual risk preferences. The PFMs would then invest the amount accordingly.

In the absence of parliamentary approval for the pension Bill, there is no clarity about how the pension contributions are being invested. The central government has assured its own employees 8 per cent interest on the pension corpus, but it is not clear if this covers the contributions of employees of various autonomous bodies.

Compounding the confusion is the fact that nobody seems to know the total number of autonomous organisations under the NPS or the total number of employees involved. The Finance Ministry has just started compiling such a list. Guesstimates put the total number of central and state NPS members at between 100,000 and 600,000. "These people have lost out on two years of compounding of returns for no fault of theirs," says a pension analyst. And the Left continues to drag its feet on pension reforms.

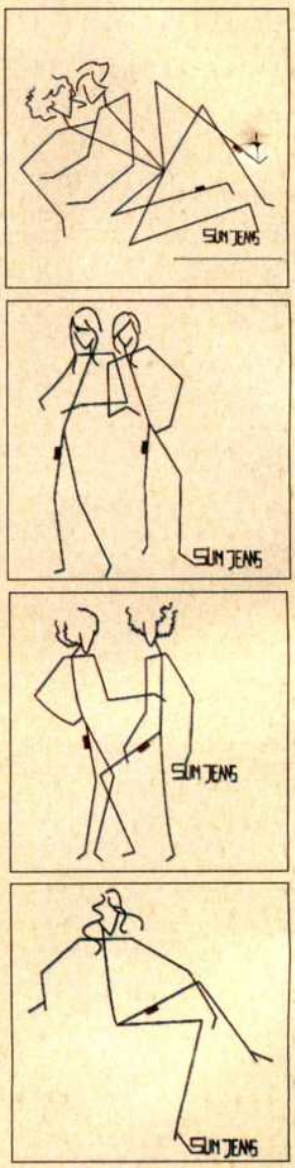
SHALINI S. DAGAR

Taming The Lions

This was India's best year at Cannes.

THE CANNES LIONS INternational advertising Festival took up the mindspace of every ad professional worth his salt last week. The festival, in its 53rd year, is said to have received an unprecedented 24,862 entries from 81 countries this year. The total number of categories: nine—film, press, outdoor, direct, media, cyber, radio, promo and titanium; plus the young creative.

For India, this has been one of the best years—both in terms of entries and awards won. India sent 738 entries—including 244 in the Press, 275 in the Outdoor, five in Radio, 16 in Promo, 66 in the Film categories and one for the Titanium Lion. Of these, only 59 made it to the finals. Indian participants made a contribution of £239,568 (around Rs 2 crore) to the coffers of the organisers. The entry fee—it varies from $130-1,615 (Rs 5,980-74,290) depending on the category—at the upper end is a big constraint for the smaller agencies, which complain that the awards are more about affordability than creativity.



Gold winner: JWT India's Slim Jeans ads for Levi's

For the record, India won 12 Lions this year, its best ever showing at the festival. Of these, four were gold, three silver and five bronze. JWT India's Slim Jeans campaign for Levi's won many accolades, and a Gold Lion under a sub-category in the Press segment; it was also the second runner up in the Grand Prix in Press. Others who won gold include O&M in the Outdoor category for Discovery Channel, Rediffusion for Midland Bookshop and JWT, again, for its Kurkure promo. Other winners include Leo Burnett, Everest and Madison Communications.

ARCHNA SHUKLA

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NEWSMAKER
MUKESH AMBANI

AP

Double take: Mukesh Ambani is riding on growth

YOU HAVE TO HAND IT TO MUKESH AMBANI. THE MAN HAS inherited his father's ability to think really big. In April, he unveiled plans to set up a 29 million tonne oil refinery in Jamnagar at a cost of Rs 27,000 crore. He followed this up in June with an agreement with the Haryana government to build the country's largest Special Economic Zone (SEZ). The numbers tell the story: the Reliance SEZ will be spread over an area of 25,000 acres, entail an investment of Rs 25,000 crore and generate a turnover of Rs 50,000 crore in its first year of operations. The land acquisition process will take about three years and the SEZ is expected to be completed within two years thereafter. "It will be the most competitive SEZ in the world," Ambani told a press conference—his first in one-and-a-half years—in Chandigarh immediately after signing the deal.

The next stop on his agenda was Kolkata, where he announced plans to invest Rs 4,000 crore on two projects—the rollout of an agri retail-chain-cum-dairy and another one to bring natural gas from Reliance's fields in the Krishna Godavari (KG) basin in Andhra Pradesh to the state for industrial projects and other user-groups. "The agri-retail chain will be in place in about three years," says Ambani. "The objective is to link farmers with consumers by transforming the agri-business in the state into an agro-processing one." Ambani's ambitious Rs 30,000-crore retail jigsaw is gradually taking shape.

Since the partition of the Reliance empire last year, Mukesh Ambani has announced projects worth Rs 80,000 crore. That's a large enough pie for almost everyone. But only the very naïve will bet that Ambani won't chew off even more in the days to come.

KRISHNA GOPALAN

NUMBERS OF NOTE

3.97 lakh: The number of passengers who used the net to book railway tickets in May 2006 against 1.81 lakh in May 2005

$250 million (Rs 1,150 crore): Total size of India's animation industry, according to Nasscom estimates. With a 30 per cent annual growth rate, the market is expected to touch $900 million (Rs 4,140 crore) by 2009

1 million: The estimated number of NGOs in India

158: The rank of Oil and Natural Gas Corporation which had a market capitalisation of $41.9 billion (Rs 188,550 crore) on March 31, 2006 in the 10th annual *Financial Times* Global 500 listing of the world's most valuable companies

7.85 lakh: Total number of small cars manufactured in India in 2005-06. Only Japan, with 17.7 lakh units and Brazil with 8.5 lakh, make more small cars than this

4.45 million: The number of industrial units in Tamil Nadu, the highest in the country

1,000: The number of jobs ICICI OneSource will create at its two nearshoring centres in Northern Ireland over the next two years

$1 billion (Rs 4,600 crore): The relief money meant for victims of Hurricane Katrina lost to fraud; bogus claimants spent the money on Hawaiian holidays, football tickets and diamond jewellery

Rs 5,000: The amount the Central Information Commission ordered the central government to pay to an applicant whose efforts to get information were frustrated by CGHS officials in Pune

18.3 per cent: The combined global market share of Nokia and Siemens, making it the third-largest telecommunications equipment vendor

$11.2 billion (Rs 51,520 crore): Amount raised by The Bank of China in a Hong Kong IPO, the world's fourth-largest

13,500: The number of cars Volkswagen aims to sell this year in India

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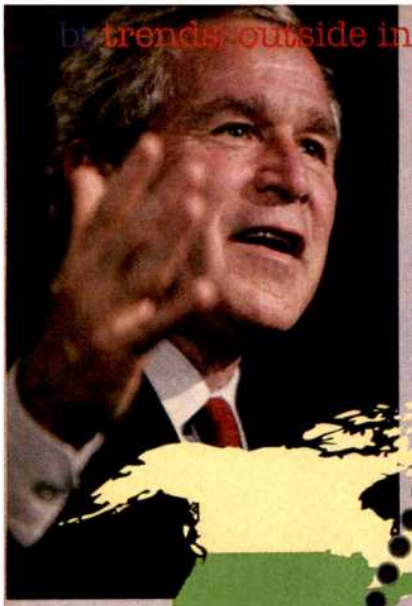


Washington: The Doha round of World Trade Organization talks reached a critical moment, says US President George Bush. He pressed for a tough decision from Europe on farming. He also pushed for a tough decision from G-20 on manufacturing. While he made it clear that the United States, too, will take some tough decisions, what he left unsaid was whether these tough decisions would benefit the developed or developing nations

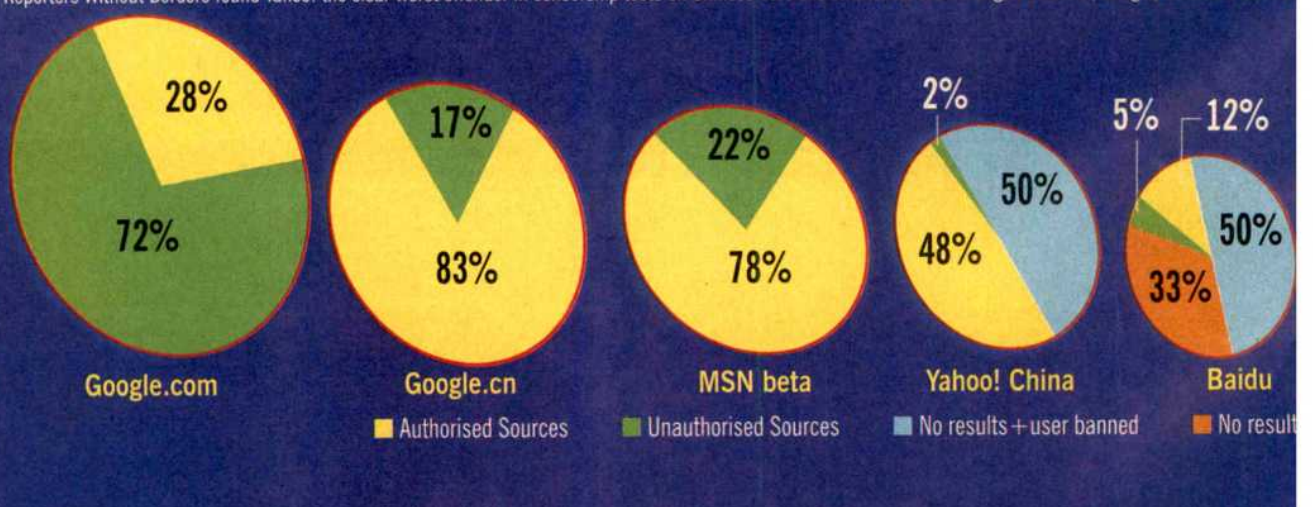
New York: The United States signalled it would not fight efforts to create an Asian currency unit, turning the page on more than a decade of consistent opposition to Asian monetary integration. The idea of an Asian currency unit, being pushed by Japan, is loosely modelled on the European currency unit, the precursor to euro. While formidable obstacles remain to the creation of an Asian currency unit–Asian countries are unable to agree on weightages or on the inclusion of Taiwan–the US decision and the broader evolution of US' Asia policy it represents may in time be seen as highly significant.

Rio de Janeiro: The United States and Brazil, the Western hemisphere's two largest democracies, could work together to open new markets in China, India and Russia, says US Commerce Secretary Carlos Gutierrez. The US is the largest foreign investor in Brazil and its main trading partner. Bilateral trade between them is worth $40 billion a year. He feels the US, Brazil and other American countries should do more to compete in a global economy where China (its exports last year totalled over $760 billion) has attracted more than $622 billion in foreign investment.

Riyadh: Spare oil production capacity across the world may doubl and rebound to the historical averag of about 3 million barrels a day by 2010, helping reduce the "fear premium" currently built into oil prices, according to BP Plc, Europe' largest oil company. In the longer term, in a few decades, and after "significant" new investments are made in oil-producing and consumin nations, it is difficult to envisage curde oil prices remaining much above $35 a barrel, says Mark Finley head of energy analysis at London-based BP.

YAHOO! THE CLEAR WORST OFFENDER IN CENSORSHIP TESTS ON SEARCH ENGINES

Reporters Without Borders found Yahoo! the clear worst offender in censorship tests on Chinese versions of Internet search engines Yahoo!, Google, MSN and Baidu.



The testing threw up significant variations in the level of filtering. While yahoo.cn censors results as strictly as baidu.cn, search engines google.cn and the beta version of msn.cn let through more information from sources that are not authorised by the Chinese authorities.

While Microsoft has said it does not censor net content, Reporters Without Borders found that the Chinese version of its search engine displays results similar to those of google.cn, which admits to filtering its content. Searches using a "subversive" key word display on average 83 per cent of pro-Beijing websites on google.cn, against 78 per cent on msn.cn. By contrast, the same type of request on an uncensored search engine, like google.com, produces only 28 per cent of pro-Beijing sources of information. However, Microsoft, like Google, appears not to filter content by blocking certain keywords but by refusing to include sites considered illegal by the authorities.

"VERBATIM"

"Right now, India is like a runner without shoes. But look at that speed. Speed is good, as long as you can go the distance"
Rakesh Jhunjhunwala, *stock investor, in* Time

"We have been lacking in a number of different areas within Barbie, one of which was bringing the toys to life and making her exciting. We haven't had great product for the girls"
Neil Friedman, *President of Mattel Brands, to* Reuters

"What's trendy today can be toxic tomorrow"
Joseph P. Quinlan, *Chief Market Strategist, Banc of America Investment Advisers on the recent market volatility, in* BusinessWeek

"Pull anyone out of any part of India, and put them in Bombay (Mumbai), and he'll acquire that sense of purpose"
Sanjay Bhandarkar, *Managing Director, Rothschild India, on Mumbai's drive, in* Time

"As a CFO, one needs strength of character and a thickness of skin to be able to deliver bad news as easily as good news"
Sallie Krawcheck, *CFO, Citigroup, in* Fortune

"There is no doubt about it—we have taken the concept from Disneyland"
Jyotindra Dave, *Chief Public Relations Officer for the Bochasanwasi Shri Akshar Purushottam Swaminarayan Sanstha that built the Swaminarayan Akshardham temple in New Delhi, in* New York Times

"We are in the middle of a very expansive growth plan ourselves, and we're not going to buy"
Mike Simon, *Division Vice President (Corporate Communications), Emirates, on the Dubai airline not planning to bid for British Airways, to* Reuters

"People are putting the brakes on all the time. In that sense India is like Italy: The economy thrives at night, when the politicians are asleep"
Gurcharan Das, *former CEO of P&G India, in The Times*

"Who can afford to do professional work for nothing?"
Bill Gates, *Chairman, Microsoft Corp., and the world's richest man, on* BBC.com

AWARDED: To Sunil Mittal, CMD, Bharti Airtel, the CEO of the Year Award, at the Frost and Sullivan Asia Pacific ICT 2006 Awards. The award took into consideration his leadership, the revenue growth of his company, and its market share and financial achievements in 2005.

REOPENED: Border trade between China and India at the historic Nathula Pass after more than 40 years. The pass, at an altitude of around 4,300 metres (14,100 feet) is scheduled to open on July 6, and will facilitate trade between Sikkim and West Bengal in India and southern Tibet.

RECORDED: A 29.59 per cent surge in India's exports in May to $9.35 billion (Rs 43,010 crore) compared to $7.22 billion (Rs 31,768 crore) in the same month last year. Imports grew at 21.67 per cent to $13.19 billion (Rs 60,674 crore) against $10.84 billion (Rs 47,696 crore) in May 2005.

RANKED: India, as the #1 location for call centres and back office functions, in the Ernst & Young European Attractiveness Survey 2006. The survey puts the US and China as the top two preferred countries for investment. India is ranked fourth.

RECORDED: An increase in the number of millionaires around the world to an all-time high of 8.7 million over the past year. This growth was fuelled by a sharp increase in emerging markets such as South Korea, India and Russia. The 10th annual World Wealth Report was put together by investment group Merrill Lynch and consulting firm Capgemini. According to the report, India has 83,000 millionaires up from 70,000 in 2004.

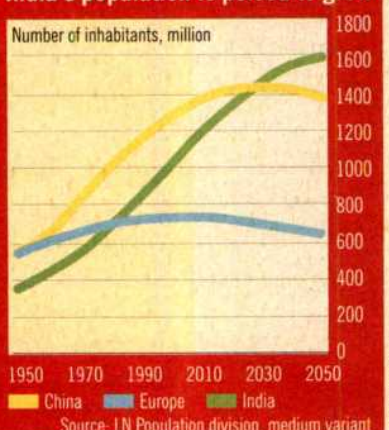
RETIRED: Goody the tiger, the smiling mascot of paint company Goodlass Nerolac. There's no substitution planned for Goody, born in 1970. As part of Goodlass Nerolac's corporate image makeover, the company is being renamed Kansai Nerolac Paints Ltd.

LOWERED: To Class X, the registration eligibility for the chartered accountancy (CA) course. The Institute of Chartered Accountants of India has also reduced the duration of the course from five years and three months to four years.

INDIA `YOUNGEST NATION' BY 2010

INDIA IS SET TO EMERGE AS THE world's 'youngest' nation by 2010 and will be the only large country to have favourable demographics—i.e., one where the earning population is more than the dependent one, says a recent Morgan Stanley study. India's median age by 2015 will be 27, up from 24 at present; that of China will reach 37 from 32. Today, one in every three Indians is under the age of 15, and only one in three is older than 35. In China and Europe, nearly 50 per cent and 60 per cent of the population are older than 35.

India's population is poised to grow



Source: UN Population division, medium variant

PINAKI PAUL

FOREIGN ARCHITECTS THE NEW RAGE

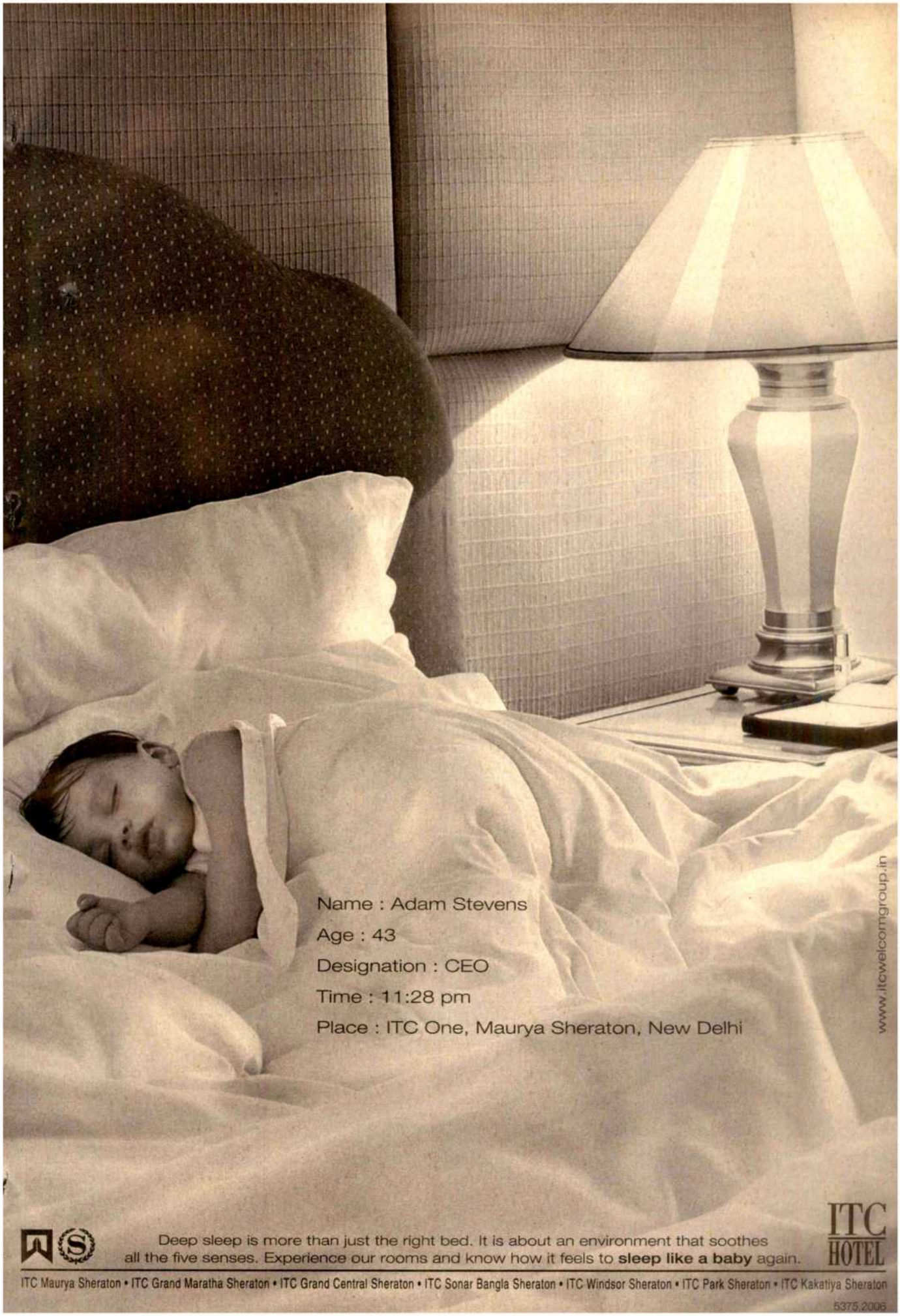
New design: Focus on foreign architects

IT'S A NEW MARKETING TACTIC. BUILDERS are increasingly turning to foreign architects to design shopping malls, condominiums and complete satellite townships. "This trend is here to stay," says Sanjeev Srivastava, Director, Assotech, a Delhi-based real estate developer, "because design parameters in India are fast catching up with the best in the world."

Does this mean Indian architects are not good enough? Real estate consultants point out only a few Indian architects can be compared to the best in the world. And those that make the cut often lack the scale required to take on very large projects. "Moreover, most Indian architects don't have up-to-date knowledge about international norms, which is *sine qua non* for attracting foreign retailers," says Sanjay Dutt, Executive Director, Cushman & Wakefield, a leading real estate consultancy firm.

Foreign architects, on average, charge three times as much as their Indian counterparts. Top Indian architects charge Rs 20-25 per sq. ft; firms from the US and the UK charge Rs 60-75 per sq. ft. But builders say customers are willing to pay a premium for such buildings. "If you want a good design, you will have to cough up good money," asserts Srivastava. Dutt, however, feels that costs will come down over time as more foreign architects set up shop in India.

AMAN MALIK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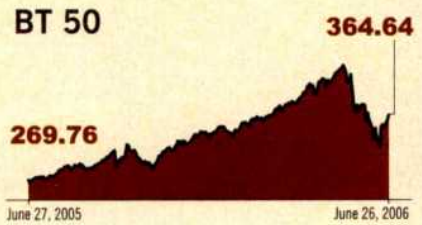
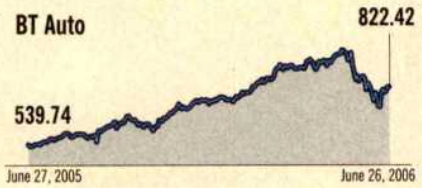
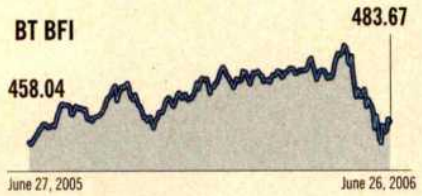
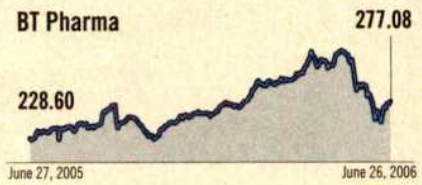
THE BT 50 INDEX

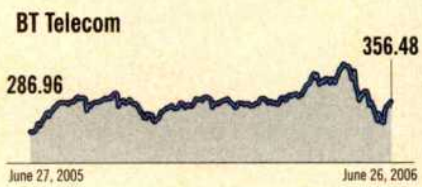
Market stays volatile.

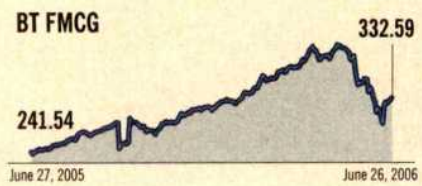


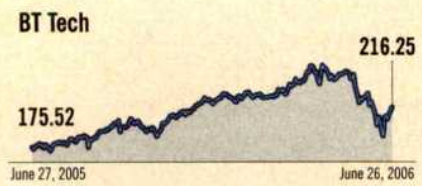








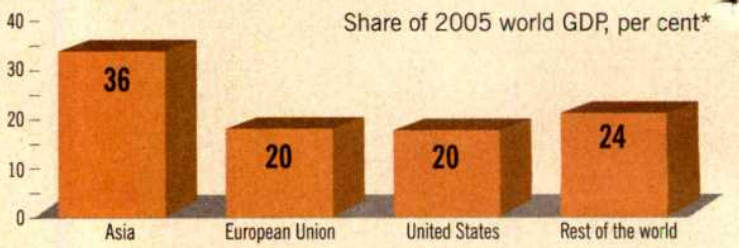




ASIA: THE CRUCIAL LINK IN THE GLOBAL ECONOMY

Asia's share of world GDP is rising. The region's economy is now the fastest growing in the world, accounting for 50 per cent of world growth. In the years ahead, the region is expected to account for a rising share of the world economy, thanks in large part to the fast-growing economies of India and China. The challenge will be to strengthen domestic demand by reviving investment in emerging Asia and consumption in China.

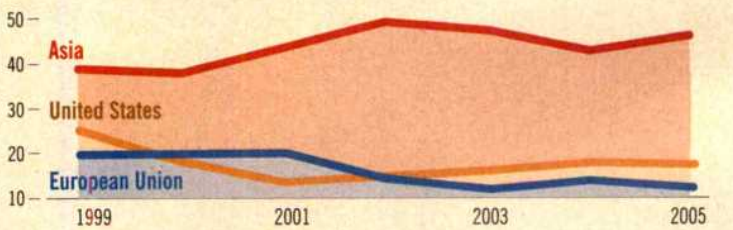
Asia's Share Of GDP Exceeds That Of The European Union And The United States...



*Weighted by purchasing power parity

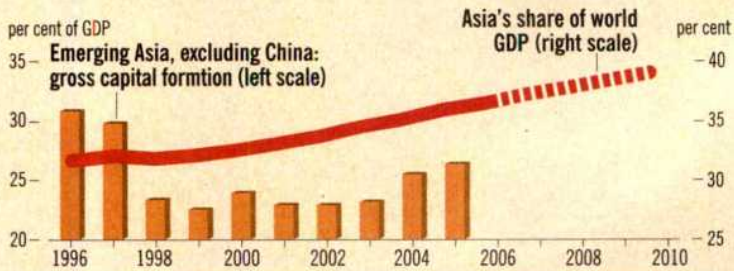
...And The Region Leads The World In Growth.

Contribution to world growth, per cent*



*Weighted by purchasing power parity

Asia Needs To Put Its Surpluses To Work At Home...



...And Plan Now For Challenges Posed By Ageing Populations.

per cent of population aged 60 or over

*China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand

Source: United Nations

GRAPHICS BY PINAKI PAUL

TATA

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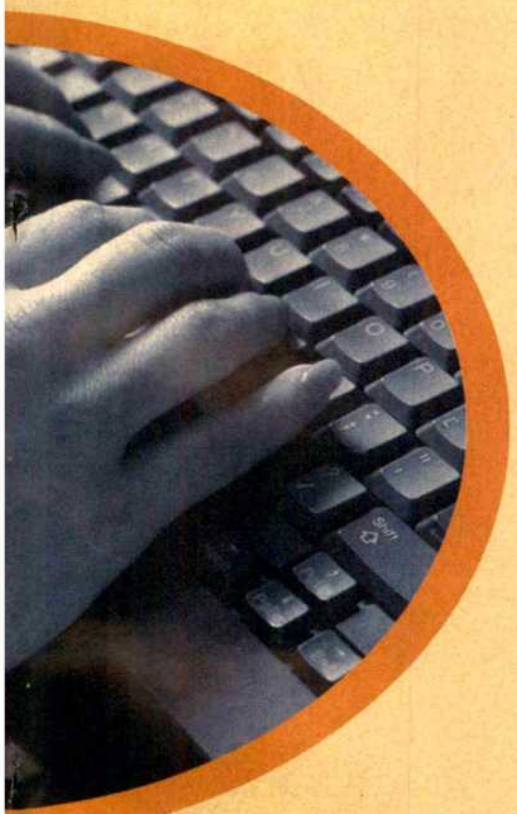

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Email: helpdesk@tcs-ca.tcs.co.in Tel: 1-800-425-2922, +91-40-6667 35 24/ 25/ 26

Current

Big, But Brittle?

The Mittal-Arcelor deal is a merger of equals. And that's precisely the problem. R. SRIDHARAN

GOOD MORNING, EUROPE. Say 'hello' to globalisation. Five months after the world's #1 steel maker Lakshmi Niwas Mittal shocked Europe by announcing a hostile offer for the #2, Luxembourg-based rival, Arcelor, he's about to pull off his daring bid. But it has been hard work for the London-based Indian steel czar. When Mittal first announced his bid (on January 27), Arcelor dismissed it contemptuously and even European politicians weighed in with unprecedented vitriol. Criss-crossing Europe to woo politicians and regulators, and sweetening his bid twice in the face of a rival offer from Russia's SeverStal (which was planning a counter offer when *BT* went to press), Mittal has managed to win the Arcelor board over. "This is one of the greatest days in the history of Mittal Steel and a seminal event in the steel industry that will shape its future," declared Mittal in a release.

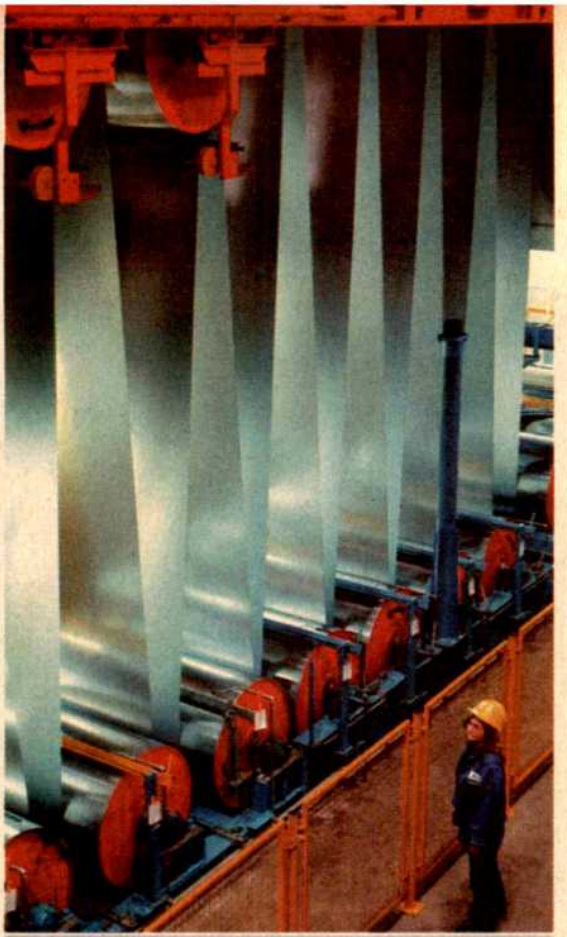
AP

All's well that...: Lakshmi Mittal (left) with Arcelor Chairman Joseph Kinsch

His final offer of 13 Mittal Steel shares and €150.60 (Rs 8,734.8) in cash for every 12 Arcelor shares (besides 13 Mittal Steel shares and €188.42 or Rs 8,667.32 in cash for 12 Arcelor convertible bonds) is almost 50 per cent higher than his initial offer. Eventually and at maximum, Mittal Steel will have to issue 722 million shares to Arcelor shareholders, and pay another $10.65 billion (Rs 48,990 crore) in cash. At current Mittal Steel stock price of $32.17 (June 23), the Arcelor deal value works out to $33.87 billion (Rs 1,55,802 crore). Arcelor's current market cap is about $28 billion (Rs 1,28,800 crore), up from its end-2005 one of less than $15 billion (Rs 69,000 crore). No wonder, the Arcelor management is grinning from ear to ear. "Intense discussions with Mittal Steel in the past weeks have resulted in a significantly improved offer...that the

Board of Directors is unanimously recommending. The merger will give rise to the leading steel company in the world," said Chairman Joseph Kinsch.

Of that there's no doubt. Arcelor-Mittal will be the biggest steel manufacturer by far, with more than 120 million tonnes (MT) in annual capacity, $70 billion (Rs 3,22,000 crore) in revenues, 334,000 employees and $51 billion (Rs 2,34,600 crore) in market cap. The closest rival, Nippon Steel, will only have about 34 MT in steel capacity and $33.56 billion (Rs 1,54,376 crore) in consolidated sales. More importantly, Mittal Steel and Arcelor are the perfect match, both in terms of geographic locations and product portfolios. The latter is primarily a flat steel manufacturer and supplies to automotive and consumer goods companies, mainly in the European Union. While Mittal Steel, excepting its US business via the ISG acquisition, makes low-value steel in Eastern Europe and other parts of the world.



AP

BIRTH OF A BEHEMOTH

What the Mittal-Arcelor merger will spawn.

	MITTAL STEEL	ARCELOR	COMBINED
Steel capacity	75 MT	46.7+ MT	121.7 MT
Sales ($ billion)	28.13	40.95*	69.08
Net profit ($ billion)	3.36	4.84^	8.20
Headcount	224,000	110,000	334,000
Market cap ($ billion)	22.93	28.13**	51.06

MT: million tonnes; +Production: Arcelor does not publish capacity
*€32.611 billion; ^ €3.86 billion **June 22, 2006, Paris Stock Exchange

While the benefit to Arcelor shareholders has, obviously, been one part of Mittal's case for the merger, the other part has to do with the industry environment. His main point, made largely by son and Mittal Steel CFO Aditya to analysts and Arcelor's institutional shareholders, is that over the years even as the consumer industries consolidated, steel producers remained fragmented. According to Mittal Steel, over the last 30 years, the number of major car manufacturers has shrunk to 13 from 57, whereas the market share of the top five steel producers is less than 20 per cent. Even after the combined capacity of 120 MTPA, Arcelor-Mittal will have just 10 per cent of the global steel market.

Mittal's plan, however, is to create a steel giant that will dominate the industry for several decades to come. In another 10 years, the man from Kolkata expects Arcelor-Mittal to increase capacity to between 150 and 200 MTPA. Perhaps, more than the sheer capacity, it will be the combination's vertical integration that will enable it to better withstand the industry cycles. For instance, 50 per cent of the iron ore and coal that Mittal Steel consumes comes from its own mines, and it is in the process of acquiring more mines elsewhere in the world, including India, where it has proposed to set up a 12-MTPA plant in Jharkhand.

The Challenges Of Integration

Yet, there are issues that the 56-year-old Mittal faces with respect to the merger. The first question is, has Mittal Steel overpaid for Arcelor? By Mittal's own initial estimate, Arcelor (even after a 27 per cent price premium) wasn't worth more than $24 billion (Rs 1,10,400 crore). But now he's paying almost 50 per cent more on that. If the argument is that the merger of industry #1 and #2 will lead to better price realisation, then anti-trust authorities would want to look at the deal more closely. But if it's efficiencies from the merger that justify the premium—which actually is more than 100 per cent if one considers Arcelor's market cap prior to the Mittal offer—then achieving them will be very difficult. Not only is there little overlap in operations between the two, but Mittal has agreed to a no-layoff-and-restructuring clause. For the record, though, Mittal expects savings of $1.6 billion (Rs 7,360 crore) from combined purchasing, marketing and manufacturing. By contrast, Mittal Steel has so far saved $150 million (Rs 690 crore) from the 20-month-old ISG merger.

The biggest hurdle stems from the fact that this is a marriage of two equally strong, but culturally different, partners, and there are

WHAT MITTAL IS PAYING FOR ARCELOR

He's offered several options, namely...

- 13 Mittal Steel shares and €150.6 in cash for every 12 Arcelor shares, or €12.55 in cash and 1.084 Mittal Steel share for every Arcelor share
- A cash offer of €40.4 per Arcelor share
- An exchange offer of 11 Mittal Steel shares for every seven Arcelor shares, and
- For Arcelor convertible bond holders, 13 Mittal Steel shares and €188.42 in cash per 12 Arcelor convertible bonds

At any rate, the deal will not carry a cash component exceeding 31 per cent and stock exceeding 69 per cent

THE COMPROMISES HE'S AGREED TO

Mittal's 43.6 per cent stake in Arcelor hasn't come without strings.

- Accept separation between the Board of Directors and the (Executive) Management Board
- Have only six Mittal nominees on an 18-member Arcelor-Mittal board, with the rest coming from Arcelor
- Have only three Mittal Steel executives on the seven-member Management Board, and let an Arcelor nominee hold the Chief Executive Officer's post
- Settle for the non-executive President's post until next April when Arcelor Chairman Joseph Kinsch retires, paving the way for Mittal
- Lock-up his holdings for the next five years and not increase his holding in Arcelor-Mittal beyond 45 per cent

serious integration issues. For instance, while it is Mittal who's buying Arcelor, the company will be called Arcelor-Mittal, and not Mittal-Arcelor. The board will comprise 18 members, but only six nominees from Mittal Steel, including three independent directors. Arcelor's 12 directors will include all the current members, including three employee representatives. The management board will comprise seven members, with four coming from Arcelor and three from Mittal. The CEO will be an Arcelor person (incumbent Guy Dolle has been asked to go), and Mittal, a non-executive President until Arcelor Chairman Kinsch retires next year, when Mittal will swap jobs with him. The President's job, vacated by Mittal, will be filled by a Kinsch nominee. (Mittal's son Aditya, who is said to have conceived the bid, will be a director.)

No doubt, the Mittal family will own 43.6 per cent (putting its wealth at more than $22 billion or Rs 1,01,200 crore), but the Indian entrepreneur has agreed not to increase his stake beyond 45 per cent. In addition, Mittal has agreed to go along with the board's decisions for the next three years. Will an empire builder like Mittal be happy staying in a situation where he's the single-largest shareholder, but subject to an Arcelor-controlled board? There are certain circumstances under which Mittal can increase his holding, but all those require a board approval.

There's another concern that overshadows the deal. While any hostile takeover is a messy affair, this one was more so. It wasn't just the Arcelor management that gnashed teeth at Mittal. Politicians

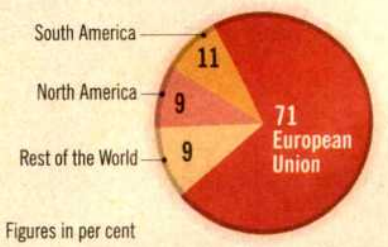
Arcelor's Kinsch: Giving in finally

ARCELOR AT A GLANCE

Turnover* By Business Unit

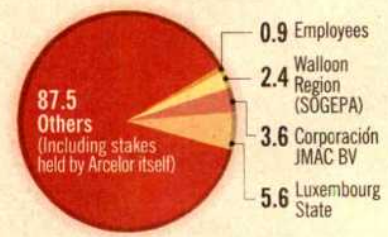
Figures in million euros *First quarter 2006

Turnover By Geographic Area

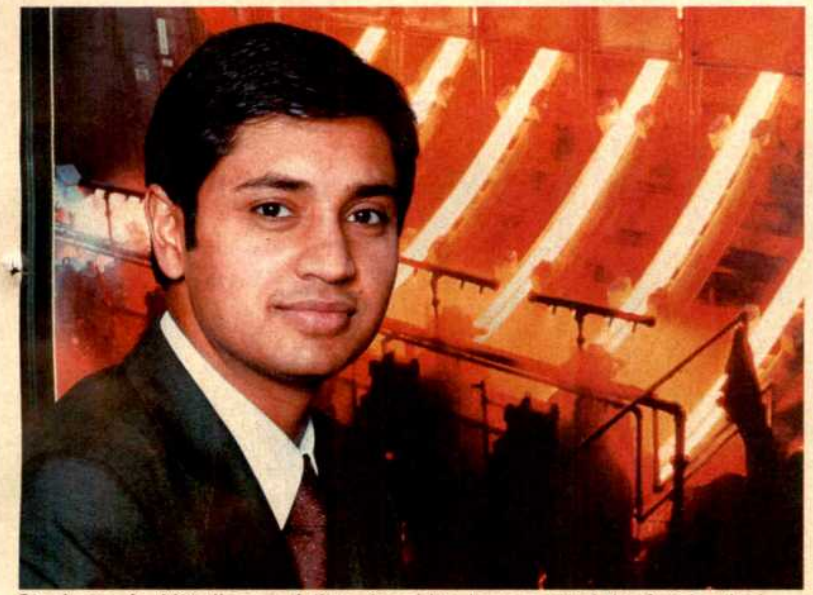


Figures in per cent

Share Holding



Figures in per cent as on March 31, 2006



Steel czar Jr: Mittal's son, Aditya, is said to have spotted the Arcelor deal

from France and Luxembourg joined ranks too, finding fault with Mittal's "grammar of business" (meaning that he didn't quite know the 'rules' of doing business in Europe). For example, Luxembourg Prime Minister Jean-Claude Juncker had publicly vowed to fight the hostile takeover attempt, and Arcelor CEO Dolle ridiculed the offer, saying Mittals would fund the takeover with "monkey money". The point: In this takeover battle, Mittal has always been seen as an outsider, and if the Arcelor management has finally capitulated, it's because of shareholder pressure. One of Mittal's challenges then will be to overcome such prejudices that will necessarily simmer under the surface even after the merger.

Despite the many potential flashpoints in the Mittal-Arcelor merger, this is a great opportunity for Mittal to graduate to world-class corporate governance standards. He built his empire over the last 30 years doing deals in some of the world's most difficult markets, buying loss-making government-owned steel companies often directly from the politicians in power. He's also used his enormous wealth to get into the good books of important political leaders such as Tony Blair, whose Labour Party in 2001 received £125,000 (Rs 82.5 lakh then) in donation from Mittal. Blair, in turn, wrote to the Romanian government, stating that selling the country's biggest steel company to Mittal would improve its chances of joining the European Union.

Such controversies are now a distant memory. The fact that Mittal has agreed to so many compromises in the Arcelor deal indicates that he truly wants to turn his steel empire into a world-class business. If he manages to make this seemingly uneasy marriage work, then he would have more than earned his position as the world's undisputed steel czar.

Editor's Note

By the time news of the Mittal-Arcelor deal broke, certain sections of the magazine, including the Contents pages, were already printed. Therefore, some of the 'Current' stories that were pulled out to make space for the Mittal-Arcelor story are not to be found here, but online at www.business-today.com. *Our apologies for the inconvenience.*

Food For Thought (And Sale)?

Pieces of HLL's ailing foods business could be on the block.

PERHAPS THE STARKEST DIFFERence between the Anglo-Dutch consumer goods giant Unilever and its Indian subsidiary Hindustan Lever Ltd (HLL) is the contribution of foods to total revenues. For Unilever, it's over 50 per cent. For HLL, it's just 6 per cent. It doesn't make money either. So, when reports surfaced last fortnight that HLL was putting two of its foods business, Modern Foods and the Annapurna brand, on the block it appeared that HLL was finally trying to get its food portfolio in order. Bread maker Modern Foods was acquired from the government in 2000. Annapurna has *atta* and salt under it, but the *atta* hasn't been able to set the markets on fire. If HLL does exit these two areas, it will be left with a prominent brand like Kissan (of ketchups and jams). But are Modern and Annapurna up for sale at all? HLL Executive Director (Foods Business) Sanjay Kakkar maintains foods present the company with an exciting, long-term and sustainable growth opportunity. Says Nikhil Vora, Vice-President (Research), SSKI Securities: "HLL has been fighting shy of making capital investments and resource deployment in this segment over the last few years." There is now talk that the F&B (food & beverage) business could shift to Mumbai from Bangalore. If that helps...

KRISHNA GOPALAN

NEHA NATH

FAWZAN HUSSAIN

Air Sahara's Roy (left) and Jet Airways' Goyal: A stillborn deal

Mid-air Collision

Jet walks out of a deal with Air Sahara and disaster.

AN ERODED SHARE PRICE, AIR-unworthy aircraft, a funds crunch—these are just a few of the reasons being bandied about for Jet Airways' proposed acquisition of Air Sahara coming unstuck. But it would seem there's also a fair bit of political intrigue to the story of this failed transaction. In Delhi's political circles, the prevalent theory is that the Congress was responsible for the deal being scuppered. Subrata Roy Sahara, Managing Worker (as he titles himself), Sahara India Parivar (SIP), is known to be close to the Samajwadi Party (SP), the political party that controls Uttar Pradesh. SIP is said to be facing cash-flow problems and the proceeds of the sale of the airline would have come in handy in other ventures, particularly real estate projects in UP.

So, did the Congress, or its political allies, particularly the Nationalist Congress Party (NCP)—to which Civil Aviation Minister Praful Patel belongs—actually advise Jet Airways Chairman Naresh Goyal to call off the deal? Few would have an answer to that. What is more certain, though, is Jet wasn't particularly happy at the way things were going at Air Sahara. According to industry sources, the airline was rapidly burning through a cash pile, paying exorbitant lease rentals for its aircraft and had also lost a significant number of its pilots and aircraft engineers to rival airlines after the deal was announced. At the same time, Jet, which had raised significant sums of money through its initial public offering (IPO), was seeing its scrip being hammered on the bourses. It had lost close to half its value in the 18 months since it listed, and much of that happened after the $500-million (Rs 2,300-crore) Air Sahara acquisition was announced. In fact, in the days after the deal was called off, the scrip actually performed smartly on the exchanges, bouncing back 5 per cent.

Jet's financial results have also been a cause for concern. For the last quarter of 2005-06, "other income" and "other expenditure" stood at Rs 344 crore and Rs 767 crore, respectively, up 1,750 per cent and 70.4 per cent over the previous year's corresponding period. Net profit stood at Rs 227 crore for the quarter (Rs 133 crore for the fourth quarter of 2004-05) and Rs 452 crore for the full year (Rs 392 crore in 2004-05). Low-cost competition has clearly taken its toll. Against this backdrop, a Rs 2,300-crore acquisition doubtless sounds disastrous.

And Air Sahara? Even though the SIP management has taken back control of the airline with effect from June 22, the airline has lost several pilots and mechanics during the takeover process (along with market share). Alok Sharma, President, Air Sahara, is talking tough. "Even though it will be difficult for us, we have retaken control of our airline; we will acquire new aircraft and restart our international operations as soon as possible. We will also infuse more money into the airline." Sharma is adamant that Jet did not go through with the deal because "they did not have the money to pay for it". If that's true, Jet should be glad.

KUSHAN MITRA

The Bull In Indiabulls

A hedge fund sees long-term prospects for the fledgling firm.

FARALLON CAPITAL MANAGEMENT LLC is the third largest hedge fund in the world, managing assets worth $17.5 billion (Rs 80,500 crore). Since February 2004, the firm that's earned a reputation for managing funds of college endowments and educational foundations, has been particularly bullish on India. Actually make that Indiabulls, a fledgling financial services group with interests in broking and real estate, with a turnover of Rs 211 crore, net profits of Rs 74 crore, and which got listed on the Indian exchanges in September 2004. Since February 2004, when Farallon entered Indiabulls via a pre-IPO placement, it has along with its associates like FIM (a Mauritius-based

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investment arm of Farallon) and Oberon (a special purpose vehicle owned by Farallon) have invested over Rs 1,000 crore in various Indiabulls firms (six at last count). The biggest investment came last fortnight when Oberon bought preference shares worth Rs 644 crore in Indiabulls Financial Services (IFSL).

Promoted by three IITians—Sameer Gehlaut, Rajiv Rattan and Saurabh Mittal—Indiabulls is in a business dominated by established universal banks, traditional broking houses and foreign companies. So, why is a San Francisco-headquartered hedge fund betting big on a company with a market capitalisation of less than a billion dollars? Promoted by one Tom Steyer, Farallon is registered as an investment advisor with the Securities Exchange Commision (SEC) in the US. It manages equity capital for institutions and high net worth individuals, and has investments in distress assets, start-ups and real estate. And, of course, in Indiabulls. Two individuals of Indian origin—Rajiv Pant and Ashish Pant—sit on Farallon's investment committee, which takes the decisions on investment allocations.

"We approached Farallon for investment in our company way back in early 2000 and since then the relationship has only grown stronger and stronger," explains Gagan Banga, Director, IFSL. But what market watchers find a bit strange is Farallon's rather long-term commitment to Indiabulls. After all, hedge funds are globally known for playing the arbitrage game in different markets, and aren't exactly known for holding on to stock for too long. Concedes Banga: "Though hedge funds are known for getting in and out pretty fast, they have stayed put in Indiabulls." Then, as a primary market expert asks: "How come one of the biggest hedge funds in the world is interested only in Indiabulls, and in no other Indian stock?" You could argue that Farallon saw potential in Indiabulls. And that faith has translated into returns. At today's prices, Farallon's close to 2 per cent holding in IFSL has appreciated a little over 10 fold from Rs 7.12 crore to Rs 73.24 crore. Doubtless Farallon-Indiabulls is a win-win proposition. So far.

ANAND ADHIKARI

FARALLON'S INDIAN FLAVOUR

The fund and its associates have invested eight times in Indiabulls in the past two years.

ACQUISITION DATE	INDIABULLS COMPANY	ACQUIRER
Feb. 10, 2004	Indiabulls Financial Services	Farallon Capital buys 3 per cent equity for Rs 7.11 crore
Jan. 3, 2004	Indiabulls Credit Services	Farallon Capital buys 33.3 per cent equity for Rs 88 crore
Oct. 21, 2005	Indiabulls Real Estate	FIM Ltd acquires 60 per cent for Rs 5.1 crore
Jan. 14, 2006	Indiabulls Housing Finance	Farallon Capital announces investment of Rs 112 crore in its equity capital
Jan. 14, 2006	Indiabulls Credit Services	Farallon announces investment of Rs 89 crore as a follow-on equity
Feb. 16, 2006	Indiabulls Infrastructure	FIM Ltd buys 60 per cent equity for Rs 15 crore
June 3, 2006	Indiabulls Buildcom	FIM Ltd buys 36 per cent equity for Rs 15 crore
June 18, 2006	Indiabulls Financial Services	Oberon Ltd buys preference shares up to Rs 644 crore

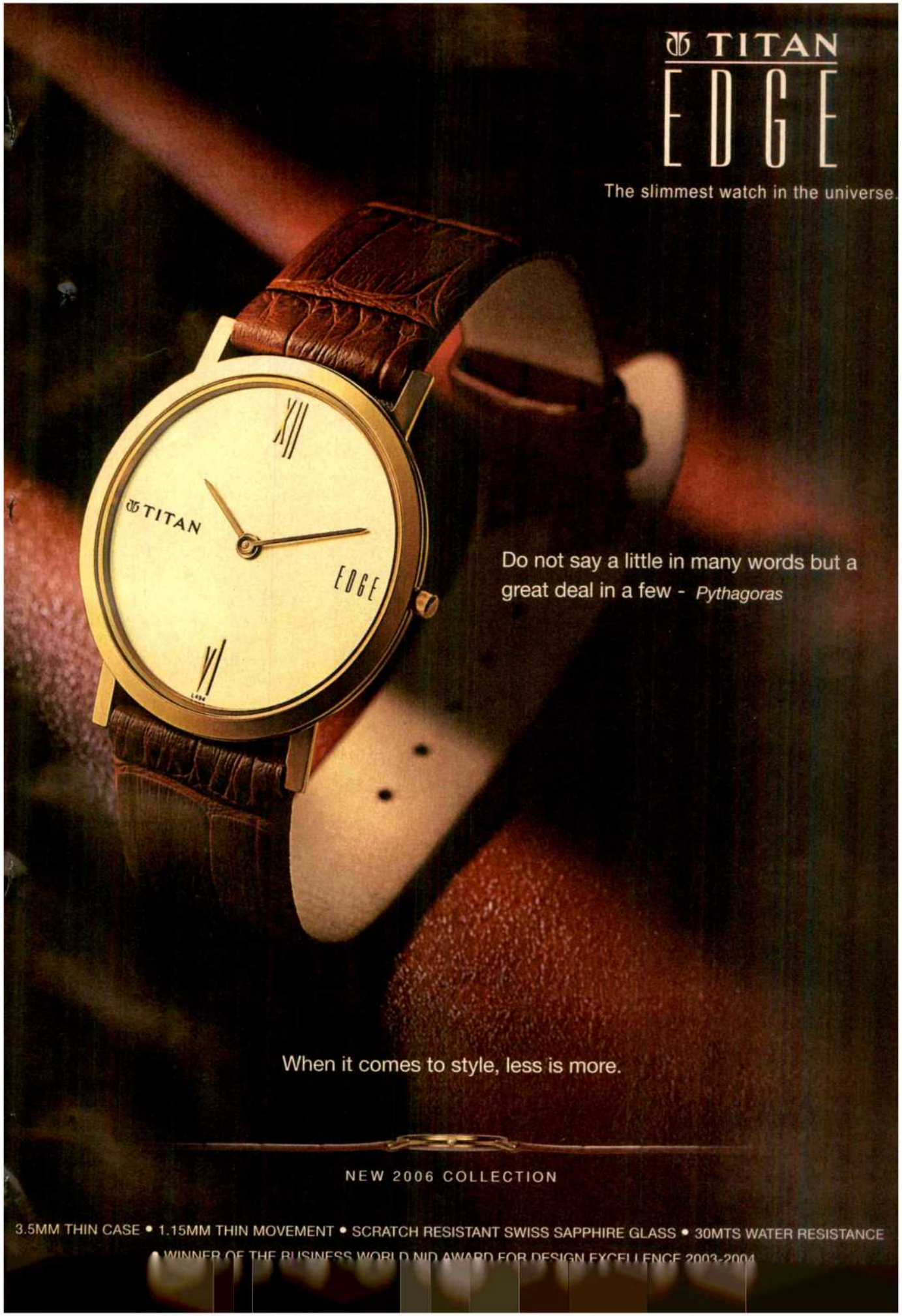
FIM and Oberon are investment arms of Farallon Capital Management LLC Source: Company

Qualcomm Feels The Heat

Is GSM really better than CDMA?

ANIL AMBANI, IT WOULD APPEAR, always preferred GSM to CDMA (these are the two technology platforms for delivering wireless telephony services). The younger Ambani, now Chairman of the R-ADAG Group, was seen as the driver of the Reliance Group's foray into GSM services in the mid-90s (much before Anil and elder brother Mukesh parted ways). That operation today has a little over two million subscribers. The CDMA operation started by brother Mukesh under the banner of Reliance Infocomm, but which has since entered the R-ADAG fold after last year's settlement between Dhirubhai Ambani's two sons, has close to 20 million subscribers. It's now known as Reliance Communications.

But if the younger Ambani today is visibly more bullish on GSM, and is even threatening to dump the CDMA venture, which was rolled out at a total investment of Rs 25,000 crore, that decision may have little to do with nostalgia or personal preferences. CDMA operators—not just Reliance Communications—are questioning the high royalty rates being charged by the San Diego-based designer and supplier of CDMA chipsets Qualcomm. At this stage, both the large CDMA operators in India—Reliance and Tata Teleservices—maintain that royalty charges by Qualcomm need to be reduced. It is gathered that the royalty on CDMA handsets charged by Qualcomm is at about 7 per cent of the cost of the handset as compared to about 2 per cent in the neighbouring Asian markets like China and Korea. Elsewhere, Nokia has jettisoned a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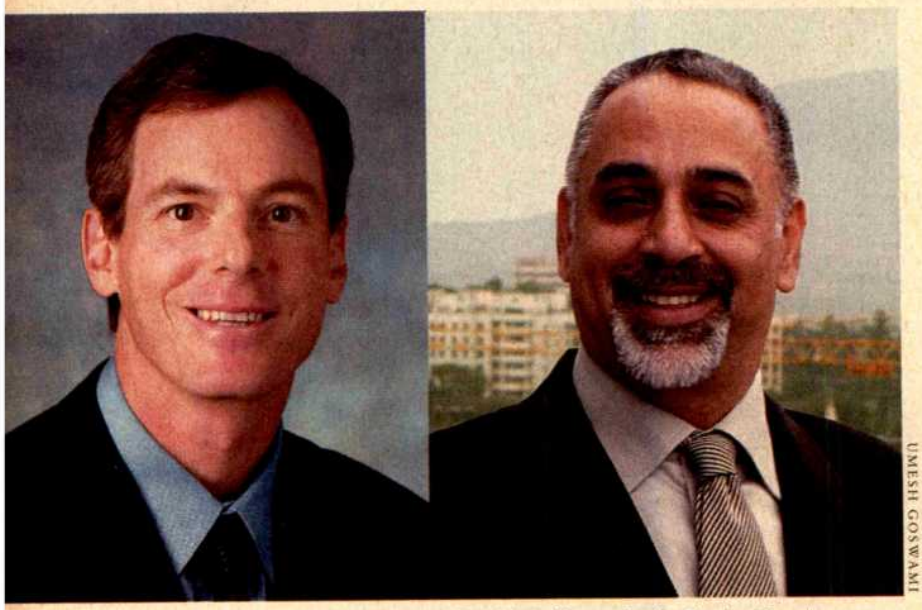
CDMA joint venture with Sanyo because it finds Qualcomm's licensing terms unacceptable. Nokia is also expected to scale down its R&D and production in CDMA.

Against this backdrop, analysts wonder whether Anil Ambani's reported shift towards GSM is a genuine strategic change prompted by efficiencies and effectiveness of one technology versus the other; or is he using the GSM threat to persuade Qualcomm to reduce its royalties? Ambani is said to be eyeing the Delhi and Mumbai circles, and the 1,800 MHz frequency, under which he has sought 4.4 MHz of spectrum. These two metro circles have a total wireless subscriber base in excess of 15 million (which is 17.68 per cent of the country's subscriber pie). The average revenue per user too is highest in these metros (in excess of Rs 450 per month). An advantage for Ambani, point out industry watchers, is that the GSM foray will, apart from bringing in more subscribers, require merely an incremental capital expenditure. Given that Ambani has the basic infrastructure in place, it is estimated that he will need to make an investment of about Rs 1,000 crore for Mumbai and Delhi. The figure would have been at least 60 per cent higher if Reliance did not have a basic wireless operation in place. Says P. Phani Sekhar, who tracks telecom at Mumbai's Angel Broking: "Both Delhi and Mumbai are also very good test markets and what will not work here is unlikely to work anywhere else."

Qualcomm CEO Paul Jacobs obviously has plenty to worry about. That's why he was in India in late June, to meet with Anil Ambani, Ratan Tata and Telecom Minister Dayanidhi Maran. Qualcomm's Vice President (Division Counsel) Mike Hartogs, in a conference call with the media, said, "Discussions with respect to royalty will be with the handset manufacturers only. Today, the royalty component as a part of the handset is small and what we charge as royalty in India is among the lowest in the world and is about 15 per cent less than what we charge in China." For CDMA users, however, that may not be low enough.

KRISHNA GOPALAN



UMESH GOSWAMI

Qualcomm's Jacobs (L) and India President Kanwalinder Singh: Time to worry

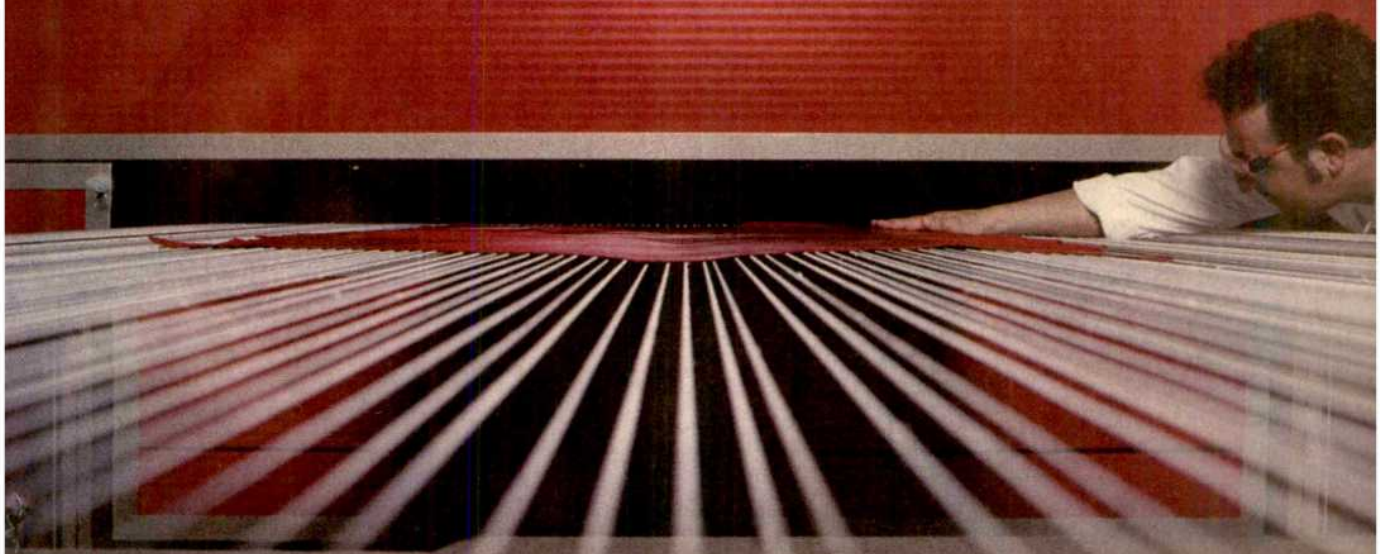
Nuvo-age Thrust

Kumar Mangalam Birla is mixing the new with the traditional.

WITH TRADITIONAL BUSINESSES like viscose filament yarn, carbon black and insulators, Aditya Birla Nuvo, the highly diversified company in the Aditya Birla stable, would need to have a good reason for adding the Nuvo (meaning new) suffix to its name. It actually has three good reasons: Insurance, IT services and business process outsourcing (BPO). And there's cellular telephony too, via Idea Cellular, in which Aditya Birla Nuvo owns close to 36 per cent (the other group companies own the rest of the 98.3 per cent). Internally, the company refers to the traditional portfolio as value businesses and the service-oriented ones as high-growth businesses. Last fortnight, K.M. Birla, Chairman, Aditya Birla Group, took another giant step on the high-growth path when Transworks, an Aditya Birla Nuvo subsidiary, made its first acquisition—an overseas one. It bought out Canada's largest BPO provider, Minacs Worldwide Inc. for $125 million (Rs 575 crore). Minacs has revenues of $265 million (Rs 1,219 crore) and earnings before interest, tax and depreciation of $25 million (Rs 115 crore). It has a significant presence in the financial services and automotive verticals. "Transworks is ranked 15th in the pecking order (among Indian BPOs) today. Following this acquisition, it will be among the top three and will also be among the largest contact centres in North America," says Birla. Following the completion of the deal, the combined businesses of Transworks and Minacs will have a revenue base of about $300 million (Rs 1,380 crore).

KRISHNA GOPALAN

IMPULSE



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Airport 2009

The new Mumbai airport looks fancy on paper.

A MASSIVE NEW TERMINAL WITH over 50 gates functioning as a combined international and domestic area and a dedicated terminal for low-cost carriers. Plus a new cargo complex that will massively increase the cargo capacity of the airport. A second parallel runway to the main one currently used will ease pressure, reduce ground delays and boost the daily aircraft capacity by over 50 per cent. A six-lane overhead expressway will connect with the Western Express Highway. These are the plans of the recently formed Mumbai International Airport Limited (MIAL) as outlined by Sanjay Reddy, the company's CEO. However, just two challenges for MIAL in the days ahead include: removing the sea of slums around the airport; convincing a few airport hotels that will need to 'give way'. Says Reddy: "We anticipate hurdles including a lot of litigation, but I am confident that we will achieve our goals once we come out with the final masterplan by end-August. Mumbai deserves a great airport and that is what we plan to do."

KUSHAN MITRA

Oops, We've Done It Again

Brothers Ambani are sparring over the non-compete clause.

WHEN THE RELIANCE EMPIRE WAS split on June 18 last year between Mukesh and Anil Ambani, one of the more acrimonious battles witnessed in corporate India appeared to have come to an end. Not quite. One niggling tussle that has threatened to drag on revolves around gas supply from the elder brother's Reliance Industries Ltd (RIL) to Anil's Reliance Energy Ltd (REL). But what threatens to balloon into an outright war is Mukesh's plans to set up a 2,000 MW captive power plant as a part of a special economic zone the RIL Chairman is blueprinting in Haryana through group company Reliance Ventures (see *Newsmaker on page 42*).

When the two brothers settled to go their own ways, they also signed a non-compete clause that didn't allow one to foray into an existing area of business of the other. The non-compete agreement was ratified by the Bombay High Court earlier this year; this was followed by a formal demerger of the Reliance businesses. Mukesh got petrochemicals, petroleum and oil & gas exploration and production, whilst Anil took control of the energy, financial services and telecommunication businesses. Which, going by the non-compete clause, would mean Mukesh cannot get into the power business. Gautam Doshi, President of Anil's R-ADAG, has written to the board of RIL citing a clear case of violation of the non-compete clause. For Anil Ambani, the power business is key to his future business plans as he is looking to set up massive projects at Dadri in Uttar Pradesh and Raigad in Maharashtra. An REL spokesperson confirmed that a letter had indeed been sent out to RIL on the issue of violating the agreement signed in June last year. An RIL spokesperson says: "RIL has always fulfilled all its commitments and obligations. It will follow the same principles in the future as well."

RIL could, of course, argue that its power plant would be for captive use, but that argument may not hold if it's not accounted for in the non-compete clause. In the meanwhile, though, Anil's Reliance Natural Resources Ltd (RNRL), reportedly has plans to bid for oil and gas blocks under the New Exploration Licensing Policy (NELP) VI. Now assuming the non-compete clause covers this business too, Anil would be treading on his elder brother's toes. For now, though, it looks like it's going to be power—the variety that's generated—that will ensure the sparring between the brothers isn't over yet.

KRISHNA GOPALAN

BHASKAR PAUL

Which way are we headed?: Mukesh and Anil Ambani in happier times

BETC EURO RSCG

Gathering Momentum

Single brand foreign retailers are already making a splash.

THE ILLICIT ROMANCE HAS culminated in an arranged marriage. Upper class Indians, long used to shopping for top-end fashion wear and personal and home accessories in London, New York, Paris, Singapore and Dubai and at local shops that stocked smuggled goods, can now just walk (or drive) across to the nearest high-end store for many of these brands. It's still only a trickle, but the government's decision to allow single brand foreign retail chains to set up shop in India has proved to be a hit with both the retailers and their customers.

International designer house Versace has opened its first boutique in India, called Jeans Couture, in Mumbai. On offer at the 2,200 square feet outlet is the full Versace collection for men and women, the Versace Sport collection and the accessories range. Other big name single brand foreign retailers like Louis Vuitton Moet Hennessy and Fendi (also owned by LVMH) are actively working towards entering the Indian market with controlling stakes in their ventures.

Many of the companies did not anticipate such massive demand for their products in India and seem to have been surprised by the response they received. The demonstration effect is beginning to rub off on others as well. "We get regular calls from the owners of several big brands that now want to come in," says Darshan Mehta, President (Brands), Arvind Mills, which owns licences in India for international brands such as Nautica and Tommy Hilfiger.

Estimates of market size vary, but most people say that the demand for top-end foreign brands in India is in the region of Rs 3,000-4,000 crore per annum. "This segment is growing at 25-35 per cent," says Mehta. "Given rising aspirations and increased incomes in the country, it will not be difficult for luxury brands to find a good market here," he adds.

The progressive opening up of this sector alone can bring in billions of dollars worth of FDI (foreign direct investment) every year. That, however, assumes that the government will get its act together. "The official policy is still very vague," says Subhinder Singh, Managing Director, Reebok India. Most players see the entry of single brand retailers as the first step to the opening up of the entire sector. "We expect restrictions on foreign investment in retail to be eased within two years," says an executive at a top foreign retailer. "But we realise that a rainbow coalition government can't move as fast as industry would like things to move," says a senior official in the Commerce Ministry.

Meanwhile, the Poonawalla Group has launched its first multi-brand high fashion store, Escape, at the Grand Hyatt Plaza, Santacruz, Mumbai. Backed by associates like BinHendi Enterprises, UAE, the store offers international luxury brands like Dolce & Gabbana, Just Cavalli, Versus, GF Ferré and Exte.

There are also reports that Giorgio Armani will enter India in a tie-up with Reliance Industries' retail venture. Cartier, Chanel, Burberry, Hugo Boss, Swarovski, Tiffany, Moschino and Tommy Hilfiger are some of the others waiting in the wings. The trickle is beginning to gather momentum.

AMIT MUKHERJEE

THE RETAIL BANDWAGON

NAME OF THE APPLICANT	FOREIGN INVESTOR	ACTIVITIES	EQUITY	STATUS
Moja Shoes	Tano India Private Equity Funds (Mauritius)	Retail sales of footwear, apparel and accessories under the Nike brand	20%	Approved
LV Trading	Louis Vuitton Moet Hennessy	Retail sales of LVMH products like pens, refills, leather goods, ties, umbrellas, shoes, sunglasses, etc.	51%	Under process
Spa Lifestyle	Lladro Commercial SA (Spain)	Retail sales of Lladro's porcelain figurines	26%	Under process
Fun Fashion India	Fendi International SA (Italy)	Retail sales of Fendi products like bags, sunglasses, watches and apparel	51%	Under process
Damro Furnitures	Damro Exports (Sri Lanka)	Retail sales of knockdown furniture under Damro brand	51%	Under process
Sikora Aktiengesellschaft	Sikora (Germany)	Set up unit for retail trading of measuring and control technology devices	100%	Rejected

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SEBI Talks Tough

The regulator proposes to freeze demat accounts.

FOR M. DAMODARAN, CHAIRMAN, Securities & Exchange Board of India (SEBI), it's time to plug the loopholes in securities regulations. Whilst SEBI's top brass was quick to issue lengthy orders banning stock market entities found to be neck-deep in a recent IPO scam involving fake demat accounts, the regulator is now working out ways to prevent off-market transactions in IPO shares before they're listed and traded. SEBI has released a 15-page discussion paper in which it suggests that depositories should freeze the demat accounts of successful IPO allottees till trading begins in those shares. Roopalben and other key operators in the IPO scam used this very pre-listing period to make off-market transactions from thousands of *benami* accounts to few operative accounts of key operators and financers.

Damodaran is equally worried about the growing cases of companies 'dematting' excess capital than the actually issued capital. As a preventive measure, SEBI has proposed a hefty penalty of Rs 25 crore for any violation pertaining to excess issue of capital. According to the discussion paper, SEBI will also track distinctive numbers of shares in a depository system in order to ensure that share certificates, which have already been dematted, are not again tendered and dematerialised. Now all that's left is for the discussion paper to translate into actual regulation.

ANAND ADHIKARI

Family Formula

Split over, it's back to business for Ajay Piramal.

FEW KNOW THE REAL ESTATE AND pharmaceuticals businesses as well as Ajay Piramal, Chairman, Nicholas Piramal India Ltd (NPIL), does. So when Piramal and his sister-in-law Urvi decided to amicably split the family business, he suddenly found himself without a property portfolio. Urvi's three sons have taken charge of that now—Peninsula Land, the real estate business, is managed by Rajeev Piramal, whilst Pyramid Retail is run by Nandan. (Harshvardhan runs the textiles business, Morarjee Textiles.)

But you can't keep Ajay Piramal away from real estate for too long. Recently he raised a domestic fund, India Reit Fund, with a corpus of Rs 250 crore. "Along with the domestic fund, we will also have one where we will get foreign direct investment," says Piramal, adding, "We are looking to partner with developers—typically emerging and budding entrepreneurs—at an early stage, when they acquire land, so that we can go along with them."

In the meanwhile, just as his sister-in-law has inducted her sons, Piramal will soon be roping in his daughter Nandini Piramal into the family business. Nandini, 26, who has just completed her MBA from Stanford Graduate School of Business, is expected to take up her appointment as General Manager (Strategic Marketing) with effect from July 1, in NPIL's overseas pharma subsidiary, NPIL Pharma Inc., once the company gets the shareholders' nod to do so. Piramal's wife, Swati, is Director of Strategic Alliances and Communications at NPIL.

Real estate may be a passion for Piramal, but it's clearly pharmaceuticals that's the growth engine for his group and Piramal has ambitious plans for this. NPIL is ranked fourth amongst pharma companies in India (including the multinationals). In 2005-06, the Piramal flagship's market share inched up from 4.3 per cent to 4.6 per cent, and it posted consolidated revenues of $352 million (Rs 1,619.2 crore), a growth of 23.9 per cent over the previous year. "We have a clear vision in the domestic market and will go for a leadership position," says Piramal.

Nandini Piramal: In her dad's footsteps

The three growth planks he has identified are domestic formulations, which account for 70 per cent of revenues, custom manufacturing, and research & development. "In three years, we should be able to launch our own molecule in the market," he adds. NPIL has already begun clinical trials in

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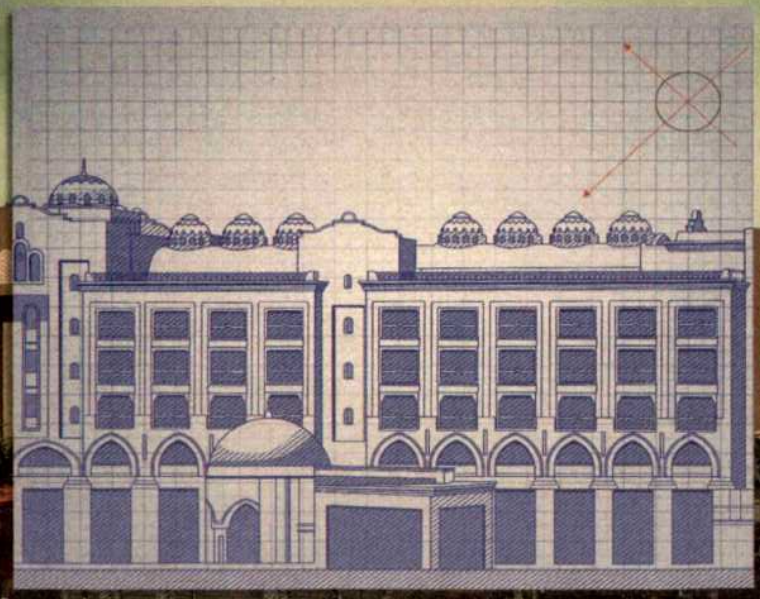

Quadrant 6568A

Think of Voltas as just a home air conditioning company and you would be gravely mistaken. Simply because it happens to have cooled one of the world's most prestigious projects - the Emirates Palace Hotel, Abu Dhabi - among many others. From initial blueprint through development and engineering to final implementation, Voltas completed the project within an impressive time limit. And though it was hugely challenging in terms of magnitude and tight deadline, it was the technological expertise and the drive for speedy execution which helped Voltas easily achieve the incredible. One of the reasons why the world recognizes Voltas, an Indian company, as a global cooling expert.

VOLTAS
THE GLOBAL COOLING EXPERT

the therapeutic areas of Oncology, Diabetes and Inflammation. The anti-cancer molecule, CDK-4, has already reached phase I of its clinical trial and Piramal has his hopes set on this. He's aware that drug discovery is a risky business. "But with stable cash flows from the domestic business as well as custom manufacturing (last year, the group's consolidated profits stood at Rs 126.05 crore) we can afford to take this risk."

Another Piramal trademark is mergers & acquisitions (M&A) and there is unlikely to be any letting up in the pace of acquisitions. Last fortnight, NPIL pulled off yet another transaction, by acquiring a manufacturing facility of Pfizer in the UK for an undisclosed amount. Piramal hopes to generate revenues in excess of $200 million (Rs 920 crore) from custom manufacturing because of this deal. Among other significant acquisitions made last year were those of Avecia Pharmaceuticals in the UK and Torcan Chemical in Canada, with an annual turnover of roughly $70 million (Rs 322 crore) each. Avecia was in the red when acquired, and Piramal expects it to break even in the current year. Piramal is particular about not paying too much for what he buys. "Most companies are paying several multiples of turnover but our acquisition multiple is 0.3 times of sales on average." He explains that the capital employed for companies he's bought is limited and therefore in the long-term the returns will be attractive. Also, these have opened doors to NPIL in terms of establishing close associations with the top pharma companies in the world. "We have very close relationships with eight of the top 10 pharmaceutical firms in the world," he adds. Those associations will come handy in bolstering his presence in the domestic market.

AHONA GHOSH

Red Sun Rising

Emerging sectors take a beating on the bourses.

FEW WILL DISPUTE THAT PROSPECTS for stock price appreciation are rosier in sunrise sectors like media, entertainment, aviation and retail, than in traditional industries such as cement and automobiles. But then what happens when markets begin to fall? The new-age stocks fall harder than good old commodities and cyclicals. Consider this: Stocks of multiplex companies are down 46 per cent from their 52-week peaks. Aviation stocks have been hammered 47 per cent, media, 45 per cent and retail, 36 per cent (see *The Faster They Rise The Harder They Fall*). In contrast, the Sensex had shed 18 per cent from its all-time high of 12,671 as on June 23. Old economy companies too have not been bruised as much. Automobile stocks on an average have declined 20-25 per cent (although TVS Motor plunged by 44 per cent), cement stocks are down roughly 25 per cent from their peak, and bank shares are lower by 25-30 per cent. Says P. Phani Sekhar, a research analyst who tracks the IT, telecom and media sectors at Mumbai is Angel Broking: "Sectors that enjoy high valuations in a buoyant market take the biggest hit during a downturn. The airlines sector, for example, has been punished clearly because of stretched valuations. Multiplexes too have been expensively priced." QED.

SHIVANI LATH

THE FASTER THEY RISE THE HARDER THEY FALL

COMPANY	MARKET CAP AT 52-WEEK HIGH*	MARKET CAP ON JUNE 23*	% DROP FROM 52-WEEK HIGH
SECTOR: FILM EXHIBITION			
PVR	787	492.9	37
Inox	1,518	793.2	48
Shringar Cinema	327.3	135.4	59
TOTAL	**2,632.3**	**1,421.1**	**46**
SECTOR: TV CHANNEL COMPANIES			
NDTV	1,750.5	1,116.6	36
Sun TV	11,160	6,727.7	40
UTV Software Communications	497.1	320.1	36
TOTAL	**13,407.6**	**8,164.4**	**39**
SECTOR: NEWSPRINT MEDIA			
HT Media	3,513.5	1,809.4	49
Deccan Chronicle	2,349.9	1,482.9	37
Jagran Prakashan	1,967.6	1031.5	48
TOTAL	**7,831**	**4,323.8**	**45**
SECTOR: AIRLINES			
Jet Airways	11,586	5,979.1	48
Deccan Aviation Ltd.	1,275.4	861.5	32
TOTAL	**12,861.4**	**6,840.6**	**47**
SECTOR: RETAIL			
Provogue	725.7	369.2	49
Celebrity Fashion	480.3	247.6	48
Shoppers' Stop	2,406.8	1,691.6	30
TOTAL	**3,612.8**	**2,308.4**	**36**

*Figures in Rs crore

Source: NSE

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Saving ITI

An infusion of Rs 1,024 crore may just help the PSU survive.

THE CORPORATE HEADQUARTERS of Indian Telephone Industries (ITI) has moved from the upmarket Magrath Road in Bangalore to Doorvaninagar on the outskirts of the city where its manufacturing facility is based. The move is just another indication of the belt-tightening measures at this once dominant public sector behemoth. Y.K. Pandey, the current Chairman & Managing Director, is a technocrat (he holds a Masters degree in engineering from Roorkee University and was part of the start-up team at government hotshop C-DOT, the Centre for Development of Telematics) and likes to point out that it was ITI's telecom networks that largely enabled the IT revolution in the early 1990s. However, towards the end of that decade, ITI was reduced to just a trading company. The telecom technology evolution from mechanical to electromechanical to electronic and now digital caught the company by surprise. The company was, and continues to be over-manned. The Department of Telecommunications (DOT), once its monopoly buyer, lost market share with the opening up of the sector (the operating arm of DOT has since been hived off and rechristened BSNL).

Along with the DOT, ITI also took a huge hit. Sales were down by almost half in just two years—from Rs 2,317 crore five years back to Rs 1,257 crore two years later. With accumulated losses of Rs 1,800 crore in 2005, ITI was stretchered to the Board for Industrial & Financial Reconstruction. Mercifully the Centre infused funds to the extent of Rs 1,024 crore over the last two years (it has happened in tranches). Admits Pandey: "When I took over in May 2003, things looked bleak. Since then we have tried to turn things around."

In addition to the cash infusion, the company has taken a number of measures to reverse its fortunes. Employee strength has been cut from a peak of 32,000 to 14,257 through a voluntary retirement scheme (VRS). The company, which had seven manufacturing facilities, has merged the two Bangalore plants, bringing down the total number to six. It has even rented out its upmarket corporate headquarters to a hospital. When Lucent and Motorola expressed their reluctance to transfer technology, ITI parted ways with them. Instead, it strengthened its relationship with

Down, But Not Out

PINAKI PAUL

Bharti-Tesco?

Or will Wal-Mart or Carrefour partner Bharti in its retail foray?

IS BHARTI ENTERPRISES GOING WITH TESCO OF the UK for its retail joint venture? The news has been in the air for a couple of months now and discussions between the two parties are said to be in the final stages. Even as Tesco is being spoken of as the most likely partner, a spokesperson for Bharti told *BT* that the group was still in dialogue with a few foreign players and that an announcement would be made in a couple of months. There are three players that Bharti has been in talks with: Tesco, Wal-Mart and Carrefour. Rajan Mittal, who is spearheading the group's retail foray, had recently told *BT* that the company was seriously looking at all possible retail models. Bharti already has a joint venture with the EL Rothschild Group-controlled, ELRO Holdings India, FieldFresh Foods Pvt Ltd that exports fresh produce under the same brand name.

VIVAN MEHRA

Rajan Mittal: The spearhead

KRISHNA GOPALAN

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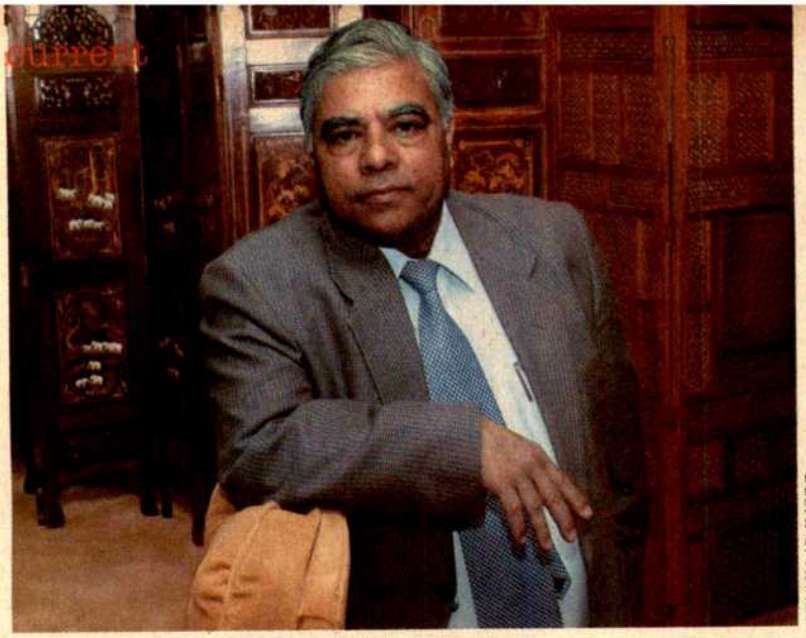


DEEPK G. PAWAR

ITI's Pandey: A long way to go, but he's off to a start

French company Alcatel (which recently brought Lucent and awaits clearance from the EU's Competition Commission) which was much more responsive to its needs. ITI is even contemplating sale of excess land. Pandey declares: "Technology is no more an issue. We have technology right from IP telephony to optical fibre to 3G telecom products. In spite of competition, not many are aware that we are the largest turnkey telecom player in the country even today."

The infusion of Rs 1,024 crore helped the company repay Rs 388 crore worth of bank loans, as well as settle provident fund dues of Rs 93 crore and VRS payments of around Rs 220 crore. It also allowed ITI to splurge Rs 150 crore on capital expenditure and enhance its equity base by Rs 200 crore. The company has on hand an order book of around Rs 2,000 crore mainly from MTNL and BSNL. An additional order for 15.5 million lines from BSNL valued at around $1.6 billion (Rs 7,360 crore) is in the pipeline. Government policy mandates that a third of the 45.5 million lines, $4.8 billion (Rs 22,080 crore) order from the state-owned firm has to be given to ITI and its partner Alcatel.

That order, when it materialises, will go a long way in turning around ITI. There's still a lot of work left to be done. The average age of the workforce is close to 50. Even after the recent VRS, the wage bill is a staggering Rs 377 crore and interest on debt, Rs 200 crore. Additional funds are clearly required to not only offer a new VRS but also for working capital. The accumulated losses still stand at Rs 1,800 crore as of March 2006. Pandey, though, is sanguine. "We will even offer contract manufacturing facilities for some of the MNCs. We will also raise working capital with the help of the government. Our order book position is healthy." Now, it all boils down to execution.

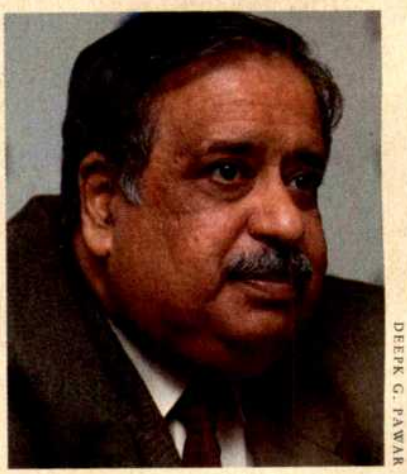
VENKATESHA BABU

Instruments Of Instability?

Are P-notes responsible for stock market volatility?

THE SENSEX, IN JUNE ALONE, swung by more than 300 points in a day as many as six times (and there were still five trading days to go at the time of writing). It's become fashionable to attribute the volatility to hot money from hedge funds pouring out of the country. At such times, participatory notes (PNs) inevitably become the subject of debate as the feeling is that much of this hot money comes into the country—and flows out even faster—via these instruments. PNs are offshore derivative instruments that allow parties not registered with the regulator to invest in Indian markets via registered FIIs or their sub-accounts. Newspaper reports suggest that PNs are back on the radar of the Finance Ministry and the Securities & Exchange Board of India (SEBI), who are apparently considering norms to persuade PN holders to register and invest directly in Indian markets rather than take the FII route. This, it is felt, will help curb huge FII sell-offs, such as those seen in the recent past. SEBI's problem is also that it is not able to identify the investor who is taking the PN route.

SEBI refuses to comment on the



DEEPK G. PAWAR

SEBI's Damodaran: Tight-lipped

media reports, but there is a view in the market that such a move may not be such a bad idea after all. Says Narayan S.A., Managing Director, Kotak Securities: "If the customer comes directly to the market, it makes things easier for the regulator and the investor. It ensures transparency and is good for the markets in the long run. The move is beneficial and necessary from the regulator's point of view." A more liberal view comes from Shankar

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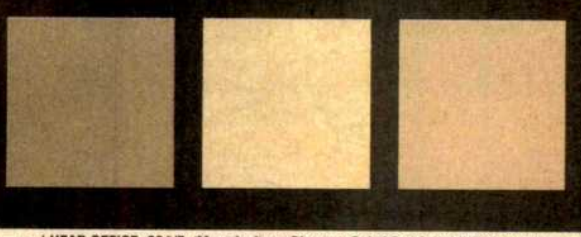

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Sharma, Director, First Global: "It should be left to the market participants to decide whether they want to be registered or invest as PN holders." To be sure, this isn't the first time the PN bogey has been raised. It may also not be the last time.

SHIVANI LATH

Diamonds And Rust

Did the crash in equities claim a big-time Mumbai jeweller?

EQUITIES HAVE BEEN THE BEST friend of many a Mumbai jeweller. So, last fortnight when virtually the entire city was in the grip of a rumour that one of the biggest names in the gold and jewellery business, Tribhovandas Bhimji Zaveri (TBZ), had lost big time in the recent market fall and was hence forced to sell out, the tale didn't sound too outlandish. Media reports indicated that TBZ's loss in the stock markets is estimated in the Rs 1,000-1,400 crore range, which had forced the jeweller to sell out to a European diamond manufacturer. TBZ's CEO R.K. Nagarkar, however, maintains there's no cause for concern and that the operation is in very good health. "We are in the process of opening our second showroom in Hyderabad and are looking very closely at Western India." he says. TBZ has mandated real estate consultant, Trammell Crow Meghraj to identify new locations. Terming the buzz in the air on TBZ selling out as "rubbish", Nagarkar clarifies that the company was in fact one of the highest taxpayers in the country. "We are in the process of corporatising ourselves and there is no truth about us selling out."

KRISHNA GOPALAN

Pay Up, Tune In

Two-thirds of Worldspace's subscribers are in India.

IN AN ERA OF INNUMERABLE 'FREE' FM channels, can a paid radio model service work? Noah Samarra, 49, an Ethiopan lawyer-turned-entrepreneur who runs the Washington-based Worldspace, the global satellite radio service provider, believes it can. If Samarra is a frequent flier into India, it's not just to meet his guru, Sri Sri Ravishankar, in Bangalore. He needs to keep visiting India because 1.1 lakh of Worldspace's 1.53 lakh customers are based in India.

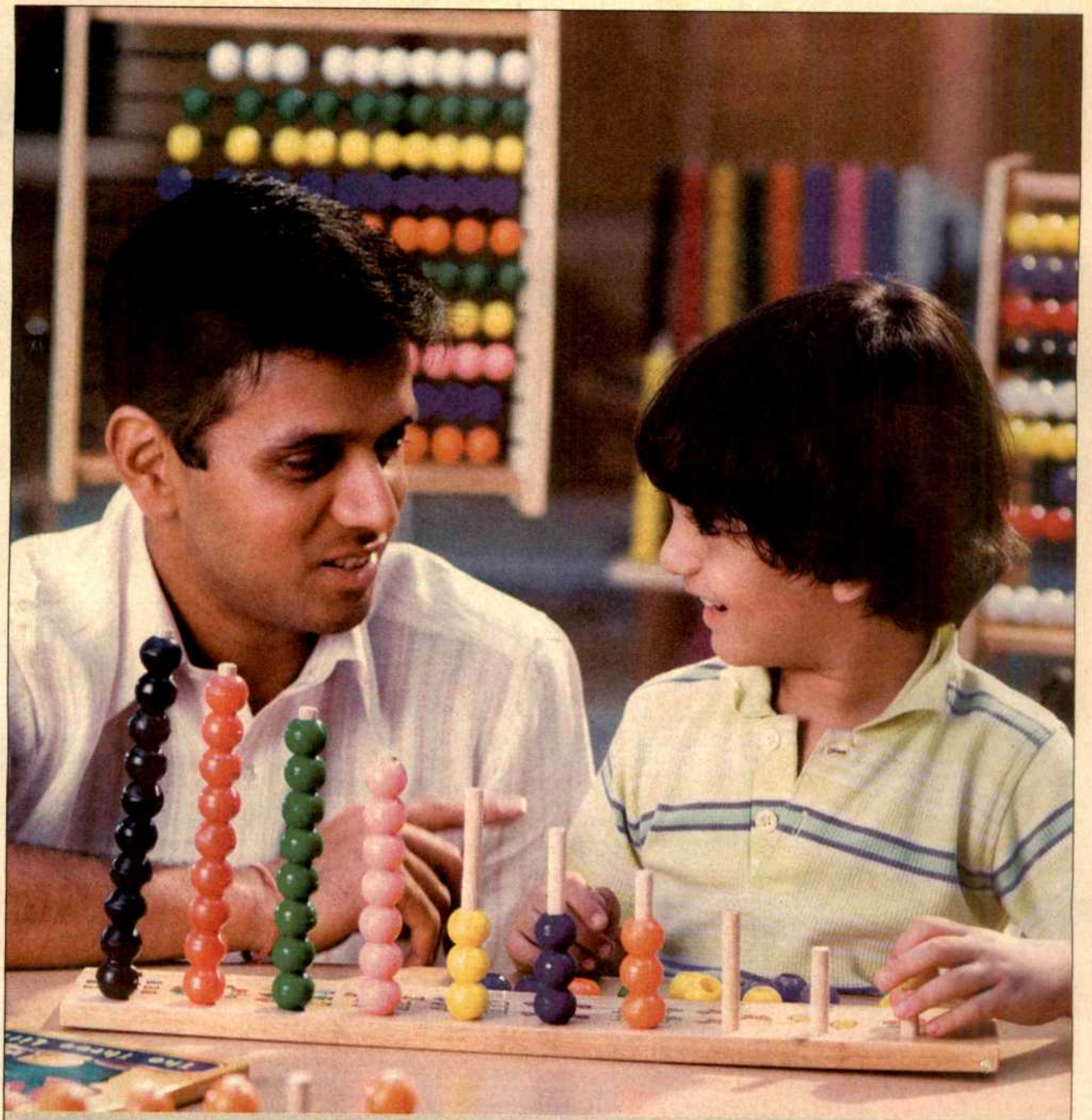
Samarra talks about a potential global audience base of 5.2 billion for Worldspace, but fact is, 16 years after its launch—and five years after operations were flagged off in Asia—Worldspace has yet to find its feet. The problem is Worldspace is not a unique model; there are other satellite radio service providers across the globe like XM Radio and Sirius (who aren't dong too well themselves although they have built differentiators with unique, somtimes edgy programming; Howard Stern, anyone?). Samarra says Worldspace has whittled down its debt burden, which stood at nearly $2 billion (Rs 9,600 crore) a year ago, to $155 million (Rs 713 crore). However, with revenues of a mere $3.5 million (Rs 16.1 crore) in the January to March quarter (which are the latest numbers available), it will take some time for the company to start making money. Also the fact that a Worldspace receiver (your ordinary radio cannot receive its service) has to be bought might also hinder its growth. Samarra is however gung-ho about the eventual success and viability of his venture. "In India, we have seen a 35 per cent growth compared to the previous year."

Worldspace is betting that its model of ad-free niche channels (for instance you can receive an old Hindi songs-only channel called 'Farishta' or a Kannada channel), specialised programming, and CD quality music will convince consumers to pay up to Rs 1,800 a year for the service (also varies if it is bundled with the hardware). The company, which has 300 employees in India, is also working with manufacturers like BPL, Flextronics, Epigon and Nippon Audiotronics to reduce the cost of the receivers and offer more choice to customers.

VENKATESHA BABU

Worldspace's Samarra: India calling

DEEPK G. PAWAR



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Buy On Rumour?

Matrix Labs denies being bought by a US generics major.

"INCORRECT AND BASELESS." THAT is how Matrix Laboratories described a news item in a pink paper last fortnight on the company being in dialogue with US-based Mylan Laboratories to offload a majority stake. In a clarification to the Bombay Stock Exchange, the company denied any "term sheet" signed in this regard. Going by the stock movement on the day of the report—it was up 9.5 per cent— despite the denial, you have to wonder what's cooking. Pharma analysts point out that the market has been expecting an announcement on these lines for some time now. "It could be Mylan, it could be Teva (the Israeli generics giant)," says one analyst. He adds that one view is that the private equity players (Newbridge Capital, US and Temasek Holdings, Singapore are strategic investors in Matrix with a combined holding of about 38 per cent) may be looking to exit. If Matrix is indeed bought in the days ahead, it would become the first Indian player to provide a readymade low-cost base to a global major. Now, that's a big if.

E. KUMAR SHARMA

Dinheiro Bonito

A Brazilian footballer is laughing all the way to the *banco*.

THE BRAZILIAN FOOTBALL FEDERation estimates that 5,000 footballers from the country play for foreign clubs. One of those players is Jose Ramirez Barreto, a veteran of sorts on Indian soil, having played in the country for four years now. In the recently-concluded transfer season, Barreto shattered all previous records by signing up with Kolkata club Mohun Bagan (the club with which he began his career in India) for an estimated Rs 61 lakh. The previous highest contract signed with an Indian club was by East Bengal for Baichung Bhutia for Rs 15 lakh in 2004.

Now Barreto's booty may compare poorly with that of one country cousin called Ronaldinho, whose contract with FC Barcelona has a get-out clause worth €125 million (Rs 725 crore) till 2010. (The get-out clause ensures that any club wanting to sign on Ronaldinho before 2010 will have to pay Barcelona €125 million) What's more, according to German national news agency DPA, the 23-man Brazilian squad at the FIFA World Cup 2006 has a collective market value of €410 million (Rs 2,378 crore). Yet, Barreto's signing up amount is significant from the Indian context (don't forget India is buried at 117th in the FIFA rankings). It reveals the enthusiasm amongst the big clubs to splurge on foreign players (In the first week of June this year, India's best player Baichung Bhutia signed up with Mohun Bagan for Rs 36 lakh). If Mohun Bagan is able to sign high-value contracts, it's because the club has Vijay Mallya's McDowell as its sponsor.

Another Kolkata club Mohammedan Sporting too is back with a bang, following a sponsorship arrangement with the SPS Group (owners of the Elegant brand of steel) and Reebok. "We will spend Rs 2 crore this year on hiring footballers from Brazil, Nigeria and the Middle-East. We will not step back even if the catch is expensive," says Sultan Ahmed, Secretary of the club. East Bengal, the other club sponsored by Mallya, with the Kingfisher tag, is targeting a top overseas striker and an attacking midfielder from either Brazil or Ghana or South Africa. "If Mohammedan Sporting spends Rs 2 crore, East Bengal will not hesitate to shell out around Rs 4-5 crore," is how one club official put it. The game may not be as beautiful back home, but the money is finally beginning to look pretty.

RITWIK MUKHERJEE

Ronaldinho: Just one boy from Brazil

End Of The Road?

The Bangalore-Mysore expressway hits a roadblock.

APPROXIMATELY 240 YEARS. THAT'S the time it should take to complete the 111-km four-lane express highway between Bangalore and Mysore if the progress of the past two decades on the project is anything to go by. Only nine km of the Rs 2,850-crore project (while the project MOU was signed in 1995, its actual costing was done only when it started getting implemented about a year ago. This does not include the cost of developing townships), the first private sector road

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The government and the project implementer don't see eye to eye.

GOVERNMENT CHARGES	KHENY'S RESPONSE
NICE has grabbed excess land	Govt agreed to provide 20,193 acres of land as per the MoU. Only 6,600 acres have been handed over. So, no excess land with NICE
Promoters have invested a mere Rs 70. Finances have been raised by mortgaging land allotted by government	Not true. For the first phase alone, core promoters have pumped in Rs 660 crore as equity
NICE committed fraud on the state by misrepresenting facts	Supreme Court of India has ruled in favour of the company
For a 111-km road, why do they require over 20,000 acres?	Standalone road project not viable. Need to develop five integrated townships too. Agreed upon during MoU signing
Senior government officials recruited by the company	Only three government officials with company. None of them involved in decision making
Farmers have been underpaid for land acquired	Government decided the rates. Land prices appreciated hugely in the last decade
NICE tried to 'buy' the CM	"I didn't know he was for sale"
May take over the project	See you in court

PHOTOGRAPHS BY DEEPAK G. PAWAR

The main players: NICE's Ashok Kheny (L) and CM H.D. Kumaaraswaamy. Will the highway (R) ever be completed?

venture conceived way back in 1986 to decongest Bangalore, has been completed till date. The state government had invited tenders in September 1988 for the implementation of an express highway. Current status: The project is stuck, and is now at the centre of a fierce controversy, which even threatens to bring down the ruling Janata Dal (Secular)-BJP coalition government in the state.

The main players in this long-running drama include NRI Ashok Kheny, who has promoted Nandi Infrastructure Corridor Enterprise (NICE), and former Prime Minister H.D. Deve Gowda (the then Chief Minister of the state), whose son H.D. Kumaaraswaamy now rules the state. NICE had signed an MOU with the state government in February 1995 to implement the project. The MOU outlined that NICE would not only build the 111-km expressway but also make the project viable by putting up five townships within this corridor. NICE claims the government agreed in the MOU to provide 20,193 acres required for the project.

Since then the project has been mired in litigation. Land is at the heart of the dispute. The current state government feels the company has entered the real estate business in the guise of creating infrastructure by acquiring excess land. With land prices shooting up astronomically since the project was conceived a decade back, land acquisition has led to lot of heartburn. Both Deve Gowda and his son Kumaaraswaamy allege farmers have been given a raw deal and want NICE to surrender "excess" land. Kheny, Managing Director, NICE, says there is no excess land. He counters that "certain vested interests, pretending to speak for farmers, are trying to safeguard their land holdings." P.B. Mahishi, Additional Chief Secretary and Principal Secretary (Public Works Department), Karnataka, says, "The project has to be implemented as originally conceived. This means the respondent can develop townships only after the expressway is completed." Kheny contends it is an integrated project.

Even as the controversy raged, the Chief Minister publicly declared the company tried to "buy" him and asserted he would not be swayed till justice was done to

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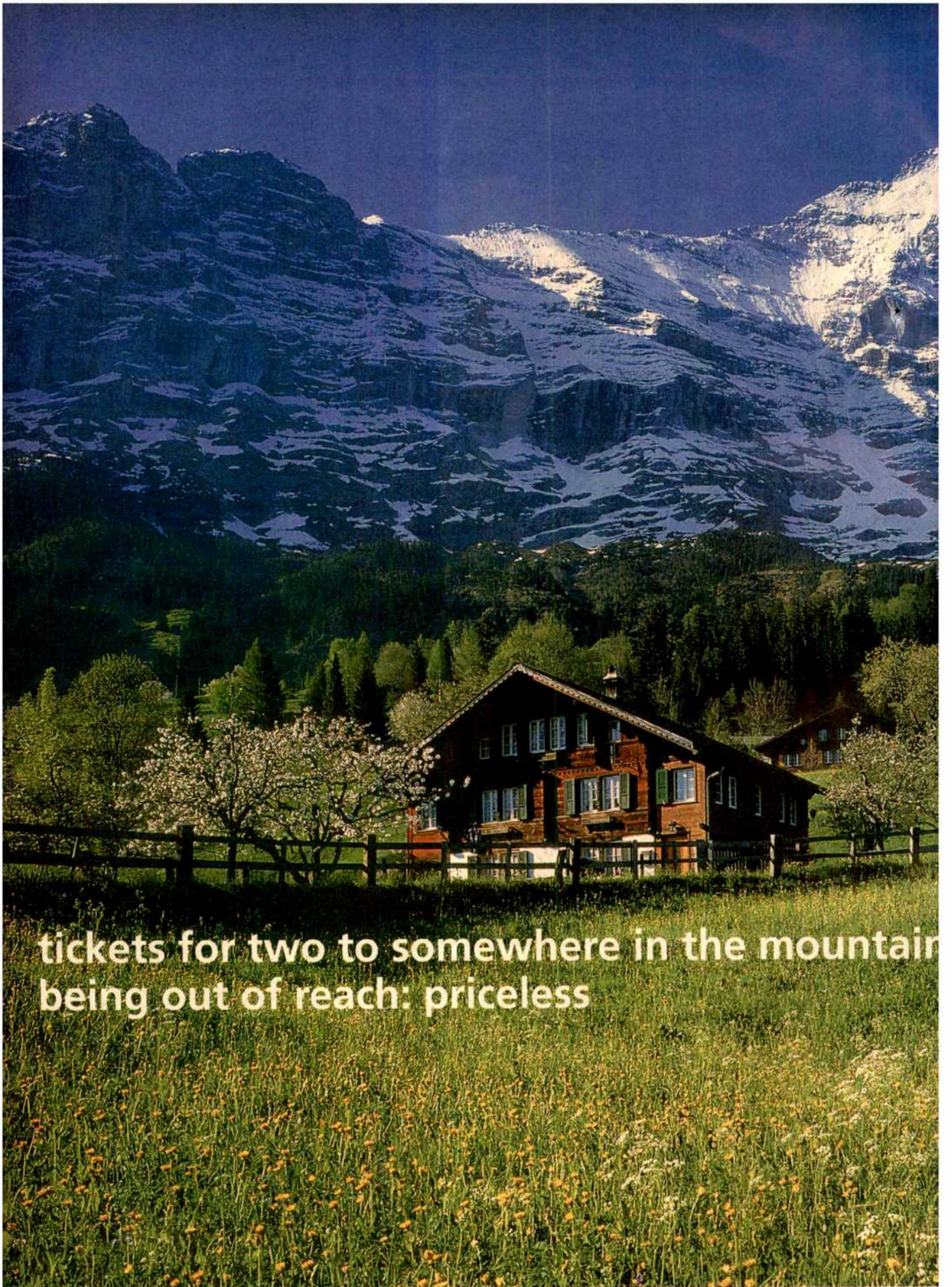

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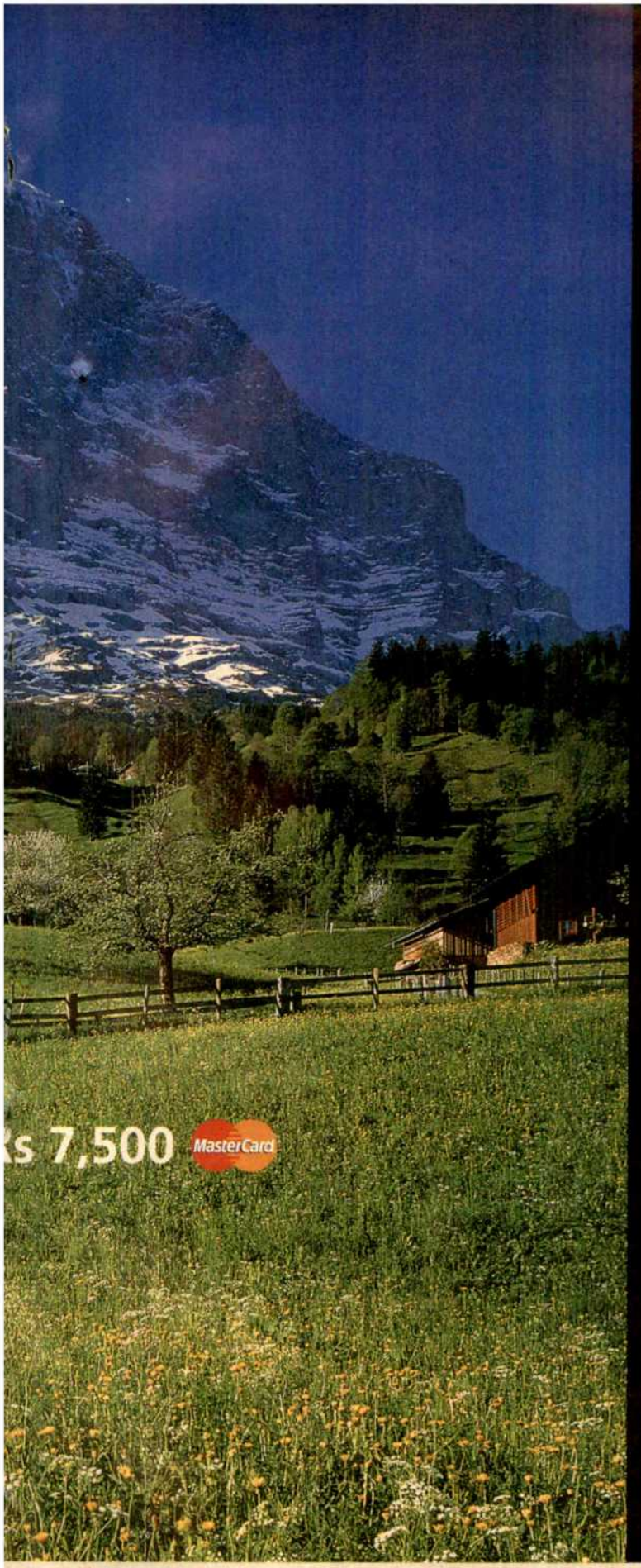

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farmers. Quips Kheny: "First of all, I didn't know the CM was for sale. Second, he is also the home minister of the state. Why didn't he have the alleged intermediary arrested if such an offer was made to a public servant?"

Gowda's JD (S) is in favour of bringing in a bill, which would enable the state to take over the project. Coalition partner BJP, while favouring recovery of excess land, opposes the bill, leading to queries about the longevity of the current coalition government. BJP leader and Deputy Chief Minister B.S. Yediurappa, however, asserts the government will not fall on the question of the corridor project.

Amidst all this hoopla, NICE has gone ahead and opened a 9.2-km stretch of the tolled road for public use. Mohan Das Pai, HR Head and Member of Board of Infosys who was present at the inauguration, came out strongly in support of the project declaring, "State government should not intervene. NICE should be allowed to complete the project."

The first phase of the project of 62 km is estimated to cost Rs 1,036 crore, which will include Rs 480 crore by way of debt. Kheny has some powerful backers. Two major shareholders in NICE include Baba Kalyani of Bharat Forge fame (who is Kheny's brother-in-law) and Anil Ambani who holds a 15 per cent stake in the project. A little known fact is that Kheny already runs a 30.5 km Hubli-Dharwad bypass road built at a cost of Rs 100 crore under a 30-year build, operate and transfer agreement. While the ruling coalition and the company split hairs over the interpretation of the MOU and the court judgments, it is Karnataka's image as an investor friendly state which is taking a beating even as Bangalore chokes in a grave gridlock.

VENKATESHA BABU

Target Sify?

The web portal may be a prime target for acquisition.

WHEN YAHOO CEO TERRY SEMEL visited India last month ostensibly on the lookout for acquisitions, the most speculated target for the US portal according to industry watchers was Sify. Originally promoted by IT services major Satyam Computer, Sify is now owned by Infinity Capital (40 per cent on a fully diluted basis), Nasdaq shareholders (55 per cent) and ESOPs (5 per cent). After all, Sify seems to have just about everything Yahoo would want: Local community portals, a broadband site (Sifymax), 200,000 broadband subscribers, 3,300 cyber cafés (with three new ones coming up every day), internet gaming, enterprise services, the works. But is Sify for sale? Pop the question to Managing Director and CEO R. Ramaraj, and there is a hint of irritation. "The portal is core to our business. It is an integral part of our strategy and it is something we want to do to grow. Partnerships we

In The Driving Seat

Hutch pips Essar for the Hindujas' stake in Hutchison Essar.

S.P. Hinduja: In for a windfall

THE HINDUJAS' MUCH-COVETED 5.11 per cent holding in cellular major Hutchison Essar Ltd (HEL) appears to have finally gone the way of Hutchison Telecom International Ltd (HTIL), the largest shareholder in the joint venture. The Essar group, which holds a 33.05 per cent stake in the JV via group company Essar Teleholdings, was the other player in the race for the Hindujas' holding. But the Ruias of Essar were apparently not too comfortable with the valuation the Hindujas had proposed.

From all indications, the deal size will be around $450 million (Rs 2,070 crore), placing the total valuation of HEL at an impressive $8.8 billion (Rs 40,480 crore). Even as the market capitalisation of a rival like Bharti Airtel stands at a much larger Rs 70,000 crore, it must be understood that HEL is a pure play cellular services provider unlike Bharti which has a presence in long-distance services and the submarine cable business apart from its cellular business. For HTIL, the deal will mean it can increase its direct holding in HEL to 47.45 per cent. Its total holding (direct and indirect) will be a shade under 67 per cent.

While the deal may be concluded, the question that still remains unanswered is that of the HEL IPO (initial public offering) which has been talked about for a while now. Things have still been rather lukewarm between Hutchison and Essar and a listing of the entity in the immediate future still looks difficult. As things stand now, HTIL will be the dominant partner for a while.

KRISHNA GOPALAN

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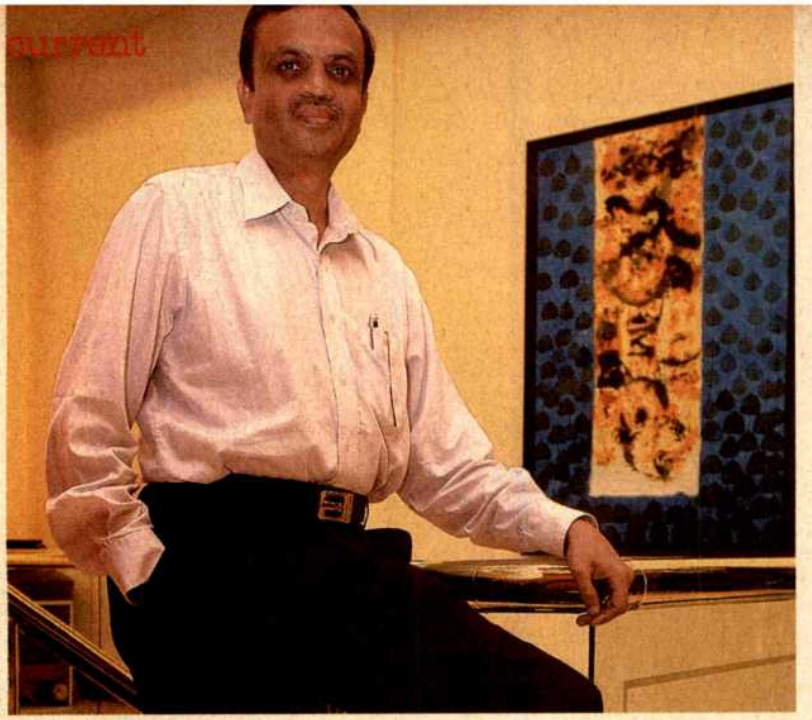

UMESH GOSWAMI

Sify's Ramaraj: Wants to grow, not sell

can always look at, but we have no intention of selling any of our businesses," he says.

That hunger for growth was in ample display recently when Sify acquired US-based online travel site Globe Travels, which has a gross annual transaction value of about $11 million (Rs 50.6 crore). Ramaraj says Globe Travels will help Sify tap its relationships with various airlines across the globe and offer better services to their customers. To add value and improve services, Sify is planning to offer a host of domestic and weekend getaway packages through the site. The service will be advertised across the 3,300 Sify I-ways and to the 200,000 broadband users that Sify has. US analysts tracking Sify believe the expected robust growth in Indian travel makes the acquisition a positive for Sify. The total Indian travel market will be worth $26 billion (Rs 1,19,600 crore) by 2014, up from $13 billion (Rs 59,800 crore) in 2004. And the internet user base in India is expected to hit 100 million by 2008. "I think the fact that we have a distribution mechanism, a payment collection system and sites that can handle promotions will help the business immensely," says Ramaraj.

Meanwhile, the company has planned various new initiatives to improve monetisation at the cyber cafés. On the gaming front, the company now has 250 game domes with over 6,000 machines cross the country where LAN-based games such as Counter Strike and Need for Speed are already quite popular. The company is now beta testing the new Korean massive multiplayer online role playing game (MMORPG) called A3, which will be officially launched in September. This is a new initiative in India and will involve thousands of users playing together and at the same time. With the online gaming market set to exceed $200 million (Rs 920 crore) by 2010, Sify has recruited experts in internet gaming to train users on the games.

The company's first city-specific portal, bangalorelive, launched in March, has become a huge success with 150,000 users a day and 50,000 hits for clips and day videos. The site allows users to view the traffic situation on various roads through the camera placed at road junctions across the city. It also allows users to upload reviews of places they visit with videos, and aggregates the day's news and listings. The company plans to roll-out many more city-specific sites.

A new area that the company is looking to enter is e-learning for school-goers. The idea is to make teachers available online so that students can book slots and discuss their problems online. These plans are at an initial stage and modalities are yet to be worked out.

Ramaraj is focussed on "continuing to grow at 40 per cent levels we have been achieving over the last four-five years." "There is immense opportunity and it is up to us how much and how quickly we can execute our plans." Yahoo may need to wait. Or look elsewhere.

SHIVANI LATH

The Value Illusion

Relisting via fresh public issues doesn't always pay.

WHAT'S COMMON BETWEEN REAL estate developer DLF Universal and Bharat Hotels? Obvious answer: Both have public issues in the pipeline. Not-so-obvious answer: Both were once upon a time listed companies, which subsequently opted for delisting. DLF walked out of the Delhi Stock Exchange three years ago, when the promoters—K.P. Singh and family—hiked their stake from 89 per cent to 97.5 per cent. Public shareholders were offered Rs 320 per share with a face value of Rs 10. Now DLF is gearing up to relist, via a Rs 13,500 crore issue, at Rs 550 per share with a Rs 2 face value. Lalit Suri's Bharat Hotels, which had applied to delist in March 2003, has filed its draft prospectus with the Securities & Exchange Board of India (SEBI) for a fresh public offering.

So, are these opportunistic moves to take advantage of a soar-

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--Prabir Sengupta IAS (Retd.), Director

IIFT was set up in 1963 as a national institute for international business education, research and training. Research forms an integral part of the Institute's training and education as more than 650 research studies which were carried out by IIFT helped in familiarizing the students with the practical nuances of international business. Over the last four decades, IIFT has grown into a Deemed University offering the following programmes:

PORTFOLIO OF IIFT PROGRAMMES

Programme	*Eligibility*	*Admission announcement*	*Duration*	*Selection process*
Ph.D (Full-time and Part-time)	Masters degree in approved discipline with 55% marks and UGC NET/CSIR qualified	September 2006		All India Research Aptitude Test Synopsis Interview
MBA (IB)-Full-time	Bachelors degree	July 2006	Two-years	All India Entrance Test Group discussion Personal Interview (January 2007)
MBA (IB)-Part-time	Bachelors degree with 3 years work experience	January 2007	Three years (Classes: 27 months + Research Project: 9 months) Classes are held on Saturdays and Sundays	Essay Writing Group Discussion Personal Interview (May 2007)
1. Executive Masters in International Business (EMIB)	Bachelors degree with 5 years work experience OR Post Graduate degree with 3 years work experience	July 2006	One-and-a-half years Classes are held on alternate Saturdays and Sundays	Essay Writing Group discussion Personal Interview (August 2006)
2. EMIB (through VSAT)	-Do-	(To be announced)	One-and-a-half years Classes are held on every Sunday	Essay Writing Group discussion Personal Interview (To be announced)
Certificate Programme in Export Management (Distance)	Bachelors degree or Diploma holder with 3 years work experience	December 2006	Four months Classes are held in the evening from 6.00 p.m. to 8.00 p.m.	Interview (February 2007)

- IIFT ranks SEVENTH among Top Business Schools of the country (*India Today*, 13 June 2005)
- It is recognized as "A" category University by National Assessment Accreditation Council, Bangalore.
- IIFT enjoys very good recognition in the corporate sector as the students of its two-year full time MBA (IB) got an average annual salary of Rs. 8.28 lakh in the Campus Placements in 2006.
- 500 working executives with an average experience of more than ten years are pursuing different part-time programmes where the classes are held on weekends.

For more information, please contact:

Dr L.D. Mago, Sr. Administrative Officer (Academics), Indian Institute of Foreign Trade, B-21 Qutab Institutional Area, New Delhi - 110 016, Tel: 26857908, 2696 6563, E-mail : ldmago@iift.ac.in

ing valuations, or do these companies feel they are now better placed to reward shareholders, armed as they are with stronger balance sheets? "I don't see any problem if the delisting is voluntary and done after settling the interest of minority shareholders," believes Prithvi Haldea of Prime Database. However, Haldea does add that investors should be careful of companies that had delisted for not complying with listing norms and are now trying to sneak into the primary markets once again.

S. Ramesh , Executive Director (Equity Product Group) at Kotak Mahindra Capital Co., explains that many companies opted for delisting in the early days of 2000 because of poor market conditions and they are now getting back to take advantage of buoyant market conditions. Many of these were multinationals, who are unlikely to come back. "Valuations are quite better today which is attracting some domestic companies that delisted to make a comeback," adds Ramesh.

Relisting, point out market experts, isn't unusual in global markets, as companies tend to return to the primary markets with stronger balance sheets. DLF and Bharat Hotels too appear to have come back financially stronger. Consider: In 2002 when DLF Universal applied for delisting, it had revenues of Rs 349 crore and a net profit of Rs 33 crore. By March 2006, K.P. Singh's company was showing revenues of Rs 1,145 crore and a net profit of Rs 103.93 crore. The capital base has also increased from Rs 3.5 crore to Rs 37 crore in the last four years. Revenues of the 25-year-old Bharat Hotels too have shot up from Rs 80-odd crore at the time of delisting to Rs 190 crore as of December 2005. As against a loss of Rs 1.8 crore, the company now shows a handsome profit of Rs 71 crore. The capital base has increased from Rs 22 crore to over Rs 70 crore.

Yet, the reality is that stock prices of companies that have relisted indicate no major benefit for promoters. Despite relisting at higher prices, these stocks have invariably descended to levels prevailing at delisting time, if not lower (see *Dalal Street's Born-Agains*). The market knows best. ■

ANAND ADHIKARI

DALAL STREET'S BORN-AGAINS

COMPANY	DELISTED PRICE	REASON	RELISTED PRICE	PRICE AS ON JUNE 22
Ispat Industries	10.50	Reconstruction & amalgamation	23	13.15
Majestic Auto	53	Restructuring	70	47.60
JK Lakshmi Cement	135	Demerger of investment division	160	115.85

Figures in Rs — Source: BSE

A Shakeout Beckons

As top MFs sprint ahead, the stragglers continue to struggle.

DOWN AND OUT

ASSET MANAGEMENT COMPANY	AUM (MAY 31, '06)*	AUM (MAY 31, '04)*	(%) CHANGE
Sahara Mutual Fund	205	413	-50
BOB Mutual Fund	229	428.63	-47
JM Financial Mutual Fund	3,287	3,864	-15
Escorts Mutual Fund	124	140	-11
Standard Chartered Mutual Fund	8,523	9,335	-9

AUM: Assets under management — *Figures in Rs crore — Source: AMFI

THE THREE-YEAR OLD SAHARA Mutual Fund, which comprises nine equity and debt schemes, manages assets worth Rs 205 crore. That's equal to the corpus of a short-term plan from ICICI Prudential Mutual Fund. ICICI Pru has some three dozen schemes in its portfolio. As the equity cult became fashionable over the past couple of years, mutual funds like Reliance, ICICI Pru and Templeton capitalised on the bullish mood to grow their assets at a scorching pace. Reliance MF, for instance, witnessed a 150 per cent growth in assets between 2004 and 2006. In contrast, assets managed by Sahara MF plummeted 50 per cent in that period. BOB mutual fund didn't fare much better, registering a 47 per cent decline. Other funds that couldn't grow their assets under management in the past two years include JM Financial, Escorts and Standard Chartered (see *Down And Out*). Rajiv Shastri, till recently CEO of Sahara Mutual Fund, reckons that the group's indifferent publicity rubbed off on the fund. "Bank distributors stay away from Sahara due to its non-transparent brand perception," he explains. Adds Jimmy Patel, CEO & COO, JM Financial AMC: "The delay in launching equity funds has seen us lagging behind." Funds like JM are making belated attempts to shift towards equities and expand into smaller cities and towns. But in an industry with over two dozen players, consolidation appears the best antidote to many of the funds' woes.

MAHESH NAYAK

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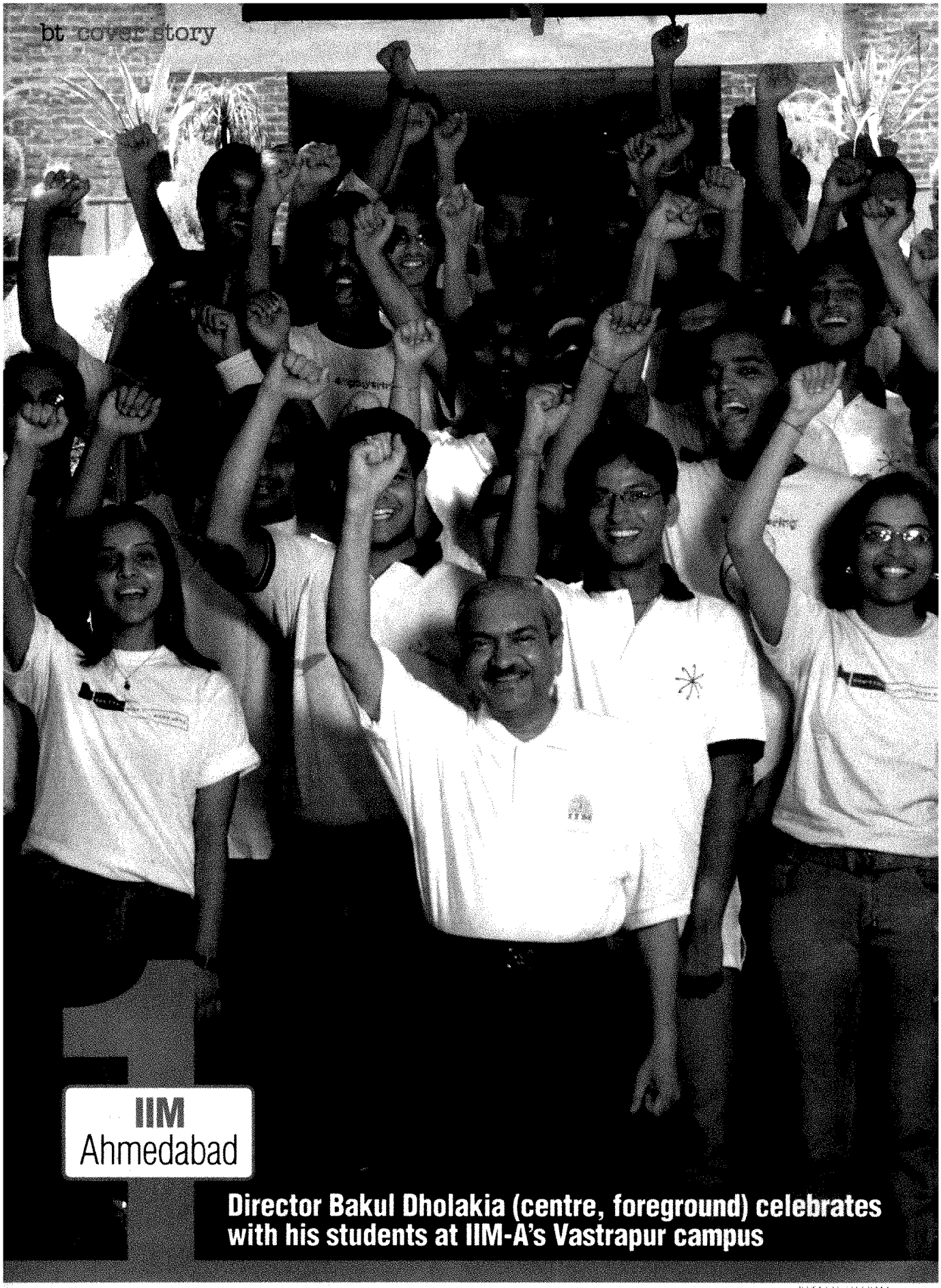


IIM Ahmedabad

Director Bakul Dholakia (centre, foreground) celebrates with his students at IIM-A's Vastrapur campus

RITESH SHARMA

India's Best B-schools

IIM Ahmedabad stays rock solid at #1, but there are plenty of gainers and losers in this year's survey. More importantly, the overall infrastructure at a B-school, its quality of placements and faculty mattered even more to our survey respondents, comprising recruiters, MBA wannabes, MBA students, young executives, and function heads. Presenting the only customer-focussed survey of B-schools in the country.

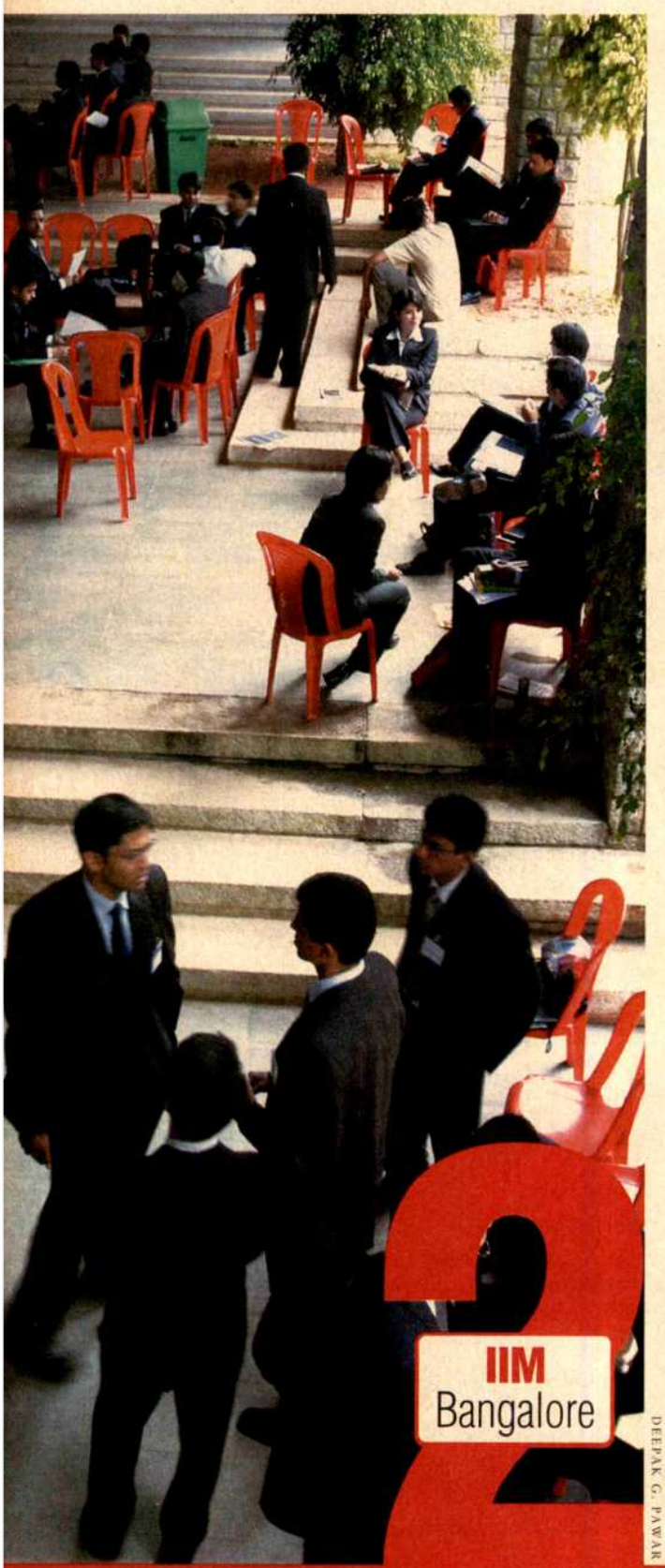
A *BT*-ACNIELSEN ORG-MARG STUDY

THE TOP 10

RANK 04	05	06	SCHOOL	BRAND EQUITY SCORE 2006	2005
1	1	1	Indian Institute of Management Ahmedabad	5.06	5.48
2	2	2	Indian Institute of Management Bangalore	2.65	2.44
3	4	3	Indian Institute of Management Calcutta	1.54	1.95
5	8	4	Symbiosis, Pune	1.29	1.26
7	6	5	Indian Institute of Management Lucknow	0.94	1.50
4	5	6	XLRI, Jamshedpur	0.89	1.53
8	9	7	JBIMS, Mumbai	0.75	1.21
8	17	8	Indian Institute of Management Indore	0.63	0.97
6	3	8	Faculty of Management Studies, Delhi	0.63	2.09
14	7	10	Indian Institute of Foreign Trade, Delhi	0.60	1.33

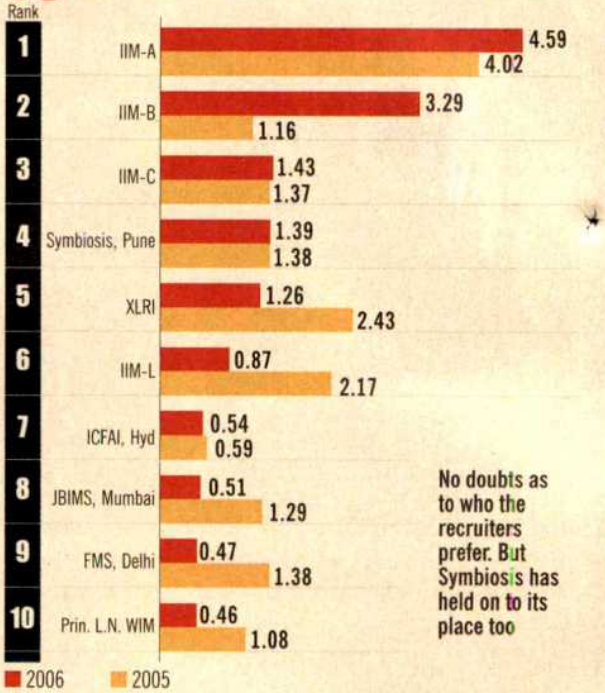
BY ALL ACCOUNTS, MANAGEMENT education in India is booming. At last count, there were 1,257 approved business schools, 125,000 full-time and 100,000 distance MBA students, and another 130,000 MBA wannabes taking the common admission test (CAT) every year. As for the recruiters, they just can't seem to get enough of the talent graduating from the top B-schools. Result: Indian companies that were traditionally Day Zero (that is, the first to interview students at campus placements) at, say, IIM Ahmedabad or Bangalore, are getting pushed to Day One by global I-banks and consulting firms, and salaries are going through the roof.

The highest dollar salary offer this year



DEEPAK G. PAWAR

Top 10 Recruiters



No doubts as to who the recruiters prefer. But Symbiosis has held on to its place too

GRAPHICS BY PINAKI PAUL

was $193,000 (Rs 88.78 lakh) and went to an IIM Bangalore grad. (For the record, the Hyderabad-based Indian School of Business or ISB snagged the highest dollar salary of $233,800, or Rs 1.08 crore, but two caveats are in order: One, the student had 10 years of work experience and, two, ISB is not part of our survey, since it only runs a one-year MBA programme, unlike the two-year courses this survey considers.) The scramble for talent isn't surprising. With the economy growing at more than 8 per cent and the services sector booming, companies are hiring by the hundreds. Tech giant Infosys, for example, hired 417 fresh MBAs this year, compared to 181 the year before.

Given that backdrop, what does the fourth (the seventh, in all) *Business Today*-ACNielsen ORG-MARG survey of business schools in the country reveal? Let's begin with the rankings. IIM Ahmedabad, despite losing score, remains the #1 B-school by far. Its brand equity score of 5.06 (see *How We Did It* on page 162 for details on the methodology) is almost double that of #2, IIM-B, which actually has improved its score to 2.65. IIM Calcutta also lost points, but regained its #3 position

A favourite among recruiters, IIM-B snagged the highest dollar salary offer this year of $193,000

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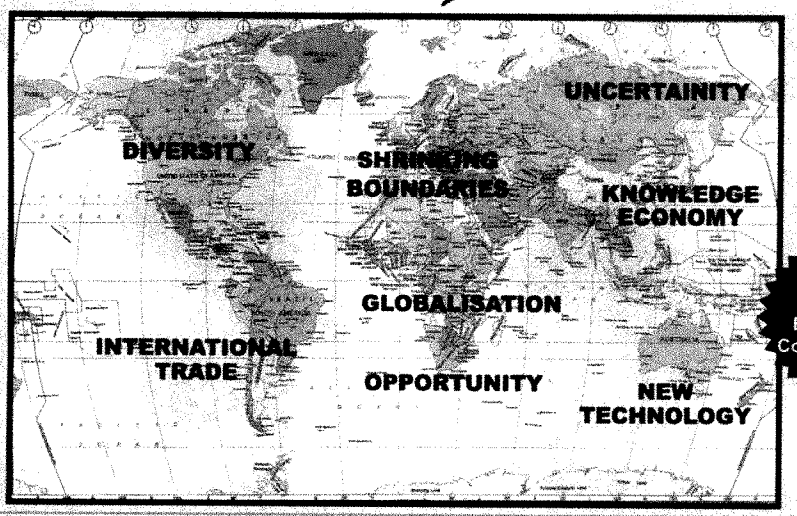

Ranked among top 100 B-Schools by Business World Cosmode B School Survey 2005

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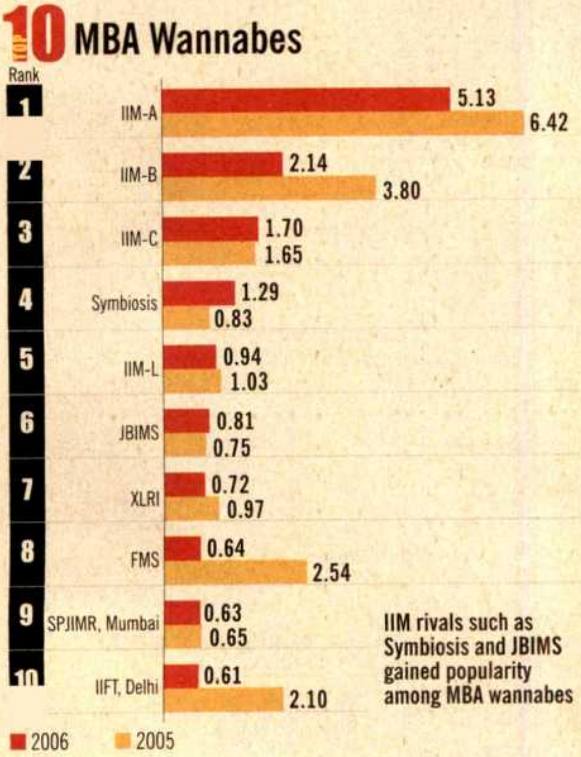
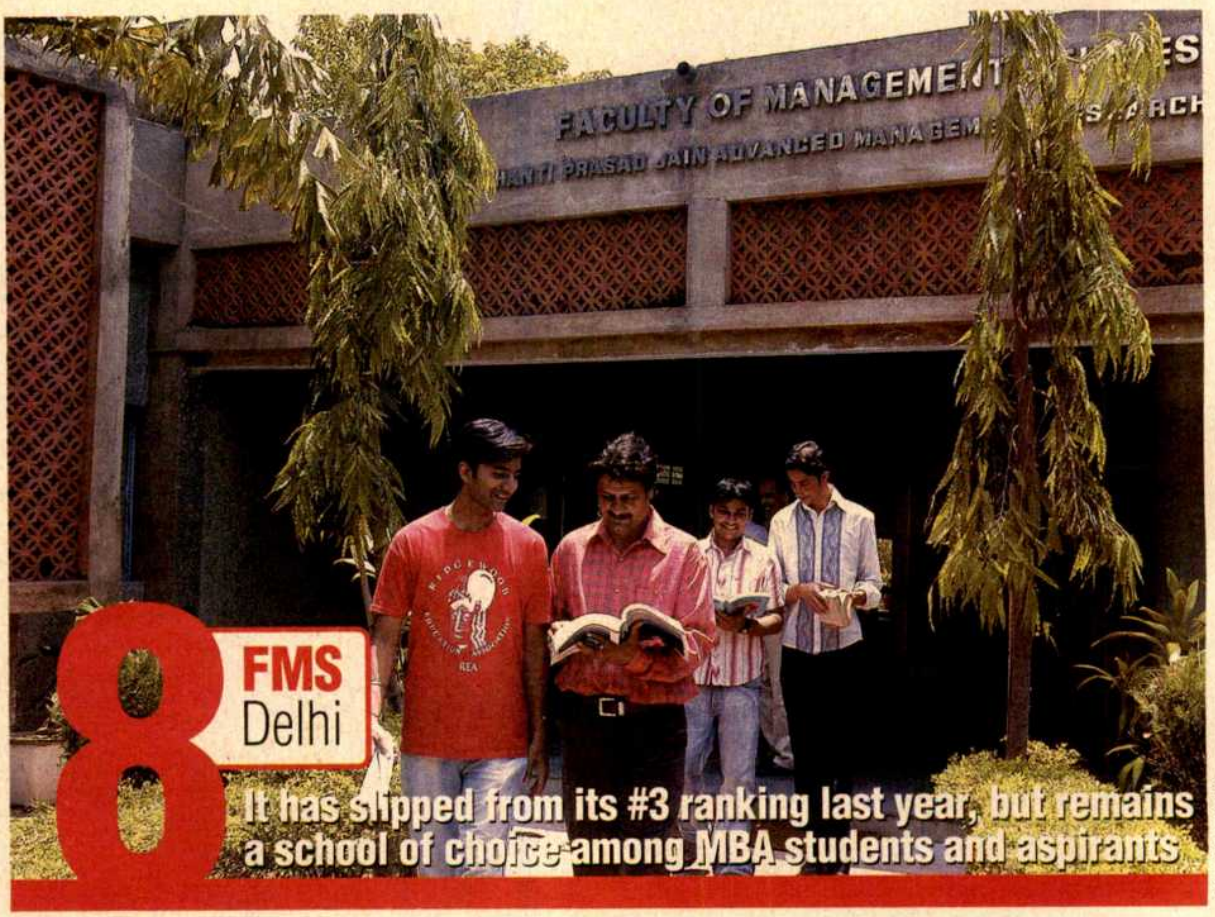


from FMS Delhi. The surprise this year, however, was Symbiosis, which jumped to the #4 slot, ahead of IIM Lucknow and XLRI Jamshedpur.

Before we go any further, a word of caution: The *BT*-ACNielsen ORG-MARG survey is based on the perceptions of B-school stakeholders, comprising recruiters, functional heads, MBA wannabes, MBA students and young executives. While it does ask them to rank a shortlist of 30 schools on eight broad attributes, including things like reputation, infrastructure and faculty, it does not quantitatively measure any of the attributes. To that extent, the survey works like an exit poll—the B-school ranks reveal how our 526 respondents voted on each of the 30 schools. Unfortunately, that also means some high-decibel B-school advertisers end up garnering higher salience, while some others (better schools, but not as aggressive advertisers) rank lower on popular perception. So, we wouldn't be surprised if some of our readers didn't agree with the rankings.

Coming back to the findings of the survey, there's a clear indication that the B-school 'consumer', meaning MBA wannabes and recruiters, is getting more and more demanding. Take placements, for example.



VIVAN MEHRA

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Given below is a performance appraisal of MBA 2004-2006 student, Sajida S. Choudhary after her Summer Training with Canon INC, UAE. Appraisals such as this one underscores our commitment to our mission, "to provide our students with the best professional career prospects."

Ranked among top 100 B-Schools by Business World Cosmode B School Survey 2005

Cannon INC.

PERFORMANCE APPRAISAL
Student's Name : Sajida S. Chaudhary
Course : **M.B.A.**

			Rating *
1.	Technical knowledge regarding the industry and the job he/she was involved		Good
2.	Communications skills	(a) Oral	Good
		(b) Written	Good
		(c) Listening skills	Good
3.	Ability to work in a team		Excellent
4.	Ability to take initiative		Excellent
5.	Ability to develop a healthy long term relationship with clients		Good
6.	Ability to relate theoretical learning to the practical training		Good
7.	Creativity and ability to innovate with respect to work methods & procedures		Good
8.	Ability to grasp new ideas and knowledge		Good
9.	Presentations skills		Excellent
10.	Documentation skills		Excellent
11.	Sense of Responsibility		Excellent
12.	Acceptability (patience, pleasing manners, the ability to instil trust, etc.)		Good
13.	His/her ability and willingness to put in hard work		Good
14.	In what ways do you consider the student to be valuable to the organisation? Consider the student's value in terms of :	(a) Qualification (b) Skills and abilities (c) Activities/Roles performed	Yes
15.	Any other comments ... She is very hardworking and presentable and responsible. Do you recommend this student for placement? Yes		YES/NO

Assessor's Name - Anurag Gupta

Designation :
GM, Canon Middle East A. Gupta.

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TOP 10 Functional Heads

Rank		2006	2005
1	IIM-A	5.52	5.57
2	IIM-B	2.66	1.51
3	IIM-C	1.63	2.10
4	Symbiosis	1.35	0.94
5	IIM-L	0.97	1.39
6	IIM-I	0.89	0.86
7	XLRI	0.85	0.95
8	JBIMS	0.65	1.18
9	FMS	0.53	2.16
10	IIFT	0.47	0.85

Once again, IIM-B makes major gains, while FMS takes a big hit

TOP 10 MBA Students

Rank		2006	2005
1	IIM-A	5.09	5.38
2	IIM-B	2.36	2.92
3	IIM-C	1.54	2.78
4	Symbiosis	1.30	1.87
5	FMS	0.94	2.25
5	IIPM, New Delhi	0.94	0.47
7	IIM-L	0.91	1.43
8	XLRI	0.88	1.15
9	JBIMS	0.81	1.87
10	IIFT	0.73	0.97

IIM-A, B and C are way ahead of the other schools. But IIM-A is the leader by far

7 JBIMS Mumbai

Unlike in our previous surveys, the respondents put greater emphasis on the quality of placements rather than the success of placements. In other words, if you are a B-school, it's not enough if you achieve 100 per cent placement; where you place your graduates and for how much matter more. As for the recruiters, they gave the highest weightage to B-school infrastructure, followed by its reputation. Quality of placements and the availability of specialised courses were also two other important considerations for them.

Seen as brands, our top B-schools lost a bit of their sheen. While IIM-A continues to be the only monopoly brand (monopoly brands have a brand equity index score between 4 and 6) over the last four years, the other B-schools have been gaining and losing. Until last year, there were half-a-dozen distinct brands (with scores between 2 and 3), including IIM-B, IIM-C, XLRI, Indian Institute of Foreign Trade (IIFT) and FMS Delhi. But this year, there was just one: IIM-B, which was also the only winning brand, the category between monopoly and distinct brands. Why does the distinction matter? Because recruiters and MBA

Like most other B-schools, its score is down, but it has risen two places to #7

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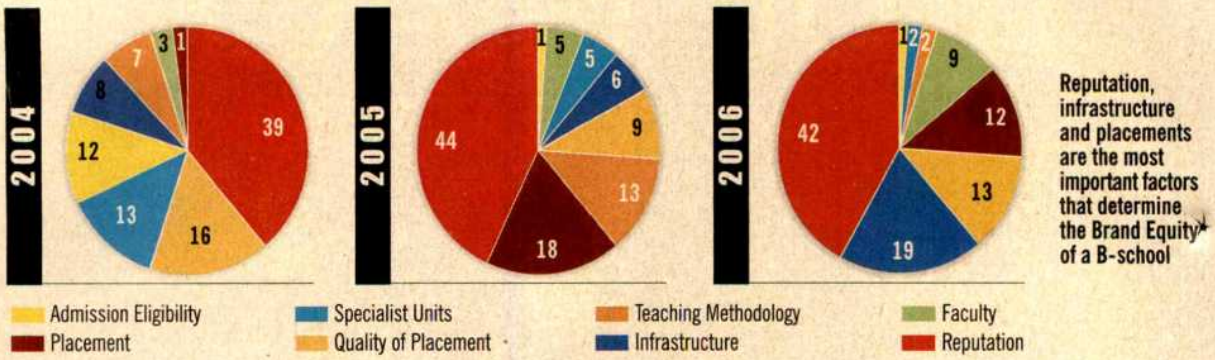
Reputation Matters



Reputation, infrastructure and placements are the most important factors that determine the Brand Equity of a B-school

wannabes are choosy about from where they hire and graduate, respectively. The more exclusive the brand, the better their takeout.

Problem Of Paucity

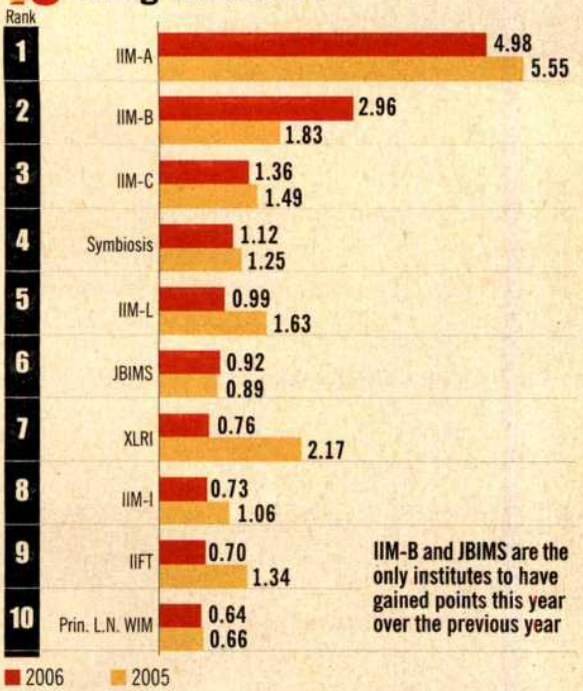
That said, it is a fact that tier-II schools have been pulling up their socks, prompting some of the top-drawer recruiters to visit their campuses. However, the bigger reason why recruiters are diversifying is two-fold: Insufficient supply from the IIMs and, consequently, high expectations of compensation. Take Infosys, for example. This year, it made 547 offers in all, but only 417 were accepted. At IIM A, B and C, Infosys made nine offers, but just five joined. Says T.V. Mohandas Pai, Director (HR): "The IIMs should be graduating three to four times of what they currently do. Indian industry is being deprived of talent."

The point Pai is trying to drive home is that Indian recruiters in particular are being crowded out of the IIMs by foreign companies, who lure students with top-dollar salaries and foreign postings. As a result, "B-school salaries are going up faster than what industry can afford," notes Pai. That isn't the only complaint that recruiters have. Others like K. Ramkumar, Senior General Manager, ICICI Bank, say that there has been no significant change over the years in the knowledge body of B-schools. "Tell me which school offers a course in sales management?" he asks. This year, ICICI hired 85 MBA grads from tier-I schools, 400 from tier-II and 1,000 from tier-III.

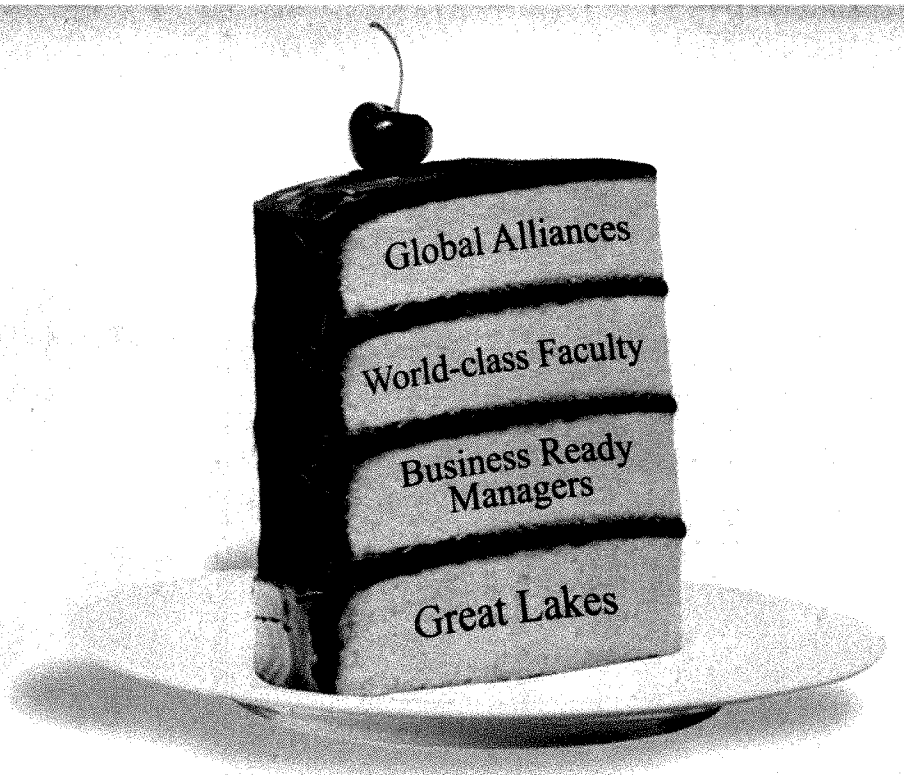
As a result, some of the big employers are partnering with B-schools to come up with customised courses. Last year, Hindustan Lever, which hires between 25 and 30 fresh MBAs every year, ran a full-credit course on "marketing in practice" at IIM-C. The content was drawn up in consultation with the IIM-C faculty, but was taught by HLL's own managers. Explains D. Harish, Vice President (HR), HLL: "Since recruitment is quite an intensive affair, we'd rather spend our energies on tier-I institutions, which provide us appropriate talent." Come August, ICICI Bank's Ramkumar will also be meeting with tier-II B-schools to devise courses that are more relevant for financial services companies like ICICI Bank. Already, Ramkumar reveals, some 3,000 students at tier-II and tier-III B-schools are studying banking as part of their curriculum. "The premier schools are difficult to influence, but we are working with the tier-II and III schools," he says.

For such B-schools, it's a win-win deal. They not only get the relevant knowledge and faculty from industry, but also ready recruiters. It will be a long time before any one of them gets close to where IIM-A is, but there's no doubt they are on the right track. ■

Top 10 Young Executives



IIM-B and JBIMS are the only institutes to have gained points this year over the previous year



The perfect recipe for a world-renowned management education

Great Lakes Institute of Management is the dream project of Dr. Bala V. Balachandran, J.L. Kellogg Distinguished Professor, Northwestern University. Dr. Bala's vision is to make quality education affordable. The objective is to create new-age managers who can take on the present day organizational challenges and handle them with consummate ease. The Institute aims to instil a global business outlook enriched with cross cultural values. Great Lakes has a distinctive business and academic advisory council comprising internationally renowned business heads. The Institute's partnership with eminent universities, including Stuart Graduate School of Business, Nanyang Technological University and Yale University gives its students a winning edge.

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Learning from luminaries

Students also have the unique advantage of learning from professionals and faculty from across the globe. The past speakers at the college include stalwarts like Prof. C.K. Prahalad, Prof. Dipak Jain, Mr. Deepak Chopra, Prof. Aswath Damodaran, Mr. Ratan Tata and Dr. Finn Kydland. The luminaries expected this year include Dr. Philip Kotler, world renowned Marketing Guru.

100% placement record

Not surprisingly, Great Lakes has been maintaining a placement record of 100%. Recruiters include companies like Infosys, Satyam, Cognizant, TCS, Wipro, Godrej etc., and companies abroad viz. Siemens Global (Amsterdam), Tricolor Consulting (Dubai), etc. The average CTC was Rs. 7.2 lakhs last year.

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MEET THE DEAN PROGRAMME

Delhi: 2nd July, 2006	**Chennai:** 7th July, 2006	**Mumbai:** 22nd July, 2006
India International Centre	Great Lakes Institute of Management	Indian Merchants' Chamber Building

Great Lakes is a not-for-profit organisation

Global Mindset, Indian Roots.

Partnerships

Research Collaboration: YALE UNIVERSITY

Academic Collaboration: Stuart Graduate School of Business, Illinois Institute of Technology

MOU: Nanyang Technological University

Brand Portrait

IIM-A The Brand

1 IIM Ahmedabad

The class of 2007 in front of the main building

PHOTOGRAPHS BY SHAILESH RAVAL

Is It

What makes Indian Institute of Management Ahmedabad the country's best B-school year after unrelenting year? How about brand image?

ARCHNA SHUKLA

SO, WHAT MAKES INDIAN INSTITUTE OF Management Ahmedabad the best B-school in India? Is it the case study method of instruction, the faculty, the placements, the alumni network, or simply the heritage of the place? Or it is merely an issue of perception, of IIM-A being the biggest B-school brand in the country? Prakash Apte, Director of IIM-B (Bangalore), contends that it is the latter. "We also employ the case study method. Our faculty is as committed and renowned. Our placements were, in fact, better than IIM-A's this time (the best overseas salary in 2006, $193,000, Rs 88.78 lakh, went to an IIM-B student; there is not much gap in the domestic salaries either)," he says. "It is just a perception that they are better than us."

There are those in IIM-A who admit that the school's standing comes from a virtuous cycle. "(We have) everything, from the best students to best recruiters to best placements," says Professor M.M. Monippally, Chair of the school's post-graduate programme (PGP) in management. "We churn out the best year after year and that strengthens the perception that we are the best." Is it all brand-image and perception, then?

Delivering The Brand Promise

There are many who don't agree. "It isn't that the institute has been sitting pretty all this while," says Professor Bakul H. Dholakia, Director, IIM-A. "If it is considered an excellent brand, then that's because its custodians have consistently delivered on the brand promise and worked to keep its essence contemporary." Those on the IIM-A campus, and many outside it, agree with him. "When I went to IIM-A in 1990, I was a plain mechanical engineer with no exposure to business," says Pulak Prasad, Managing Director, Warburg Pincus India. "When I walked out in 1992, I had been exposed to a wide range of business practices, like finance, marketing, strategy and most importantly, to an exceptional peer group and world-class faculty who helped broaden my perspective of the world."

Indeed, the school has, year after year, worked towards ensuring that its brand pedigree remains undiluted. It still remains the most difficult business school, globally, to gain admission into, and hence, attracts only the best students in the country (the success rate for admissions in 2006 was 1:680). "The campus has an extremely competitive environment," says V.N. 'Tiger' Tyagrajan, a Class of 1985 alum and currently Executive Vice President, Genpact. "You are rubbing

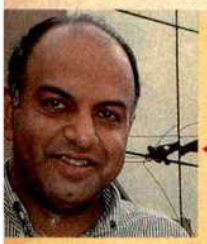
FACTFILE: IIM-A

- **Founded:** 1961
- **Batch size:** 250
- **Faculty:Student ratio*:** 1:8
- **Average domestic salary in placements 2006:** Rs 9.66 lakh per annum
- **Average international salary in placements 2006:** $92,500 (Rs 41.6 lakh)
- **Number of offers made during placements 2006:** 510
- **Number of companies offering overseas jobs in 2006:** 20
- **Success rate for applicants for 2006-08:** 1:680 (one out of every 680 students who wrote the test secured admission to the school)

* For Post-Graduate Programme only

THEY CAME...

	TOTAL NO. OF STUDENTS	TOTAL NO. OF RECRUITERS	TOTAL NO. OF OFFERS MADE	OFFERS ACCEPTED	OFFERS PER STUDENT
IIM-A	245	110	510	235	2.17
IIM-B	183	68	305	179	1.7



BRAND AMBASSADORS

YOUNG TURKS

Sanjeev Bikhchandani
Founder/ Naukri.com

Rajesh Khanna
MD/ Warburg Pincus India

OLD BRIGADE

K.V. Kamath
Managing Director/ ICICI Bank

M.S. Banga
President, Foods/ Unilever

THE WOMEN

Vedika Bhandarkar
MD & Head, Investment Banking/JP Morgan India

Madhabi Puri-Buch
Sr GM and Country Head (Ops)/ ICICI Bank

OFF-TRACK

Harsha Bhogle
Sports Commentator

Mallika Sarabhai
Danseuse, Actress, Social Activist

shoulders with an exceptionally intelligent, ambitious and spirited lot all the time, which keeps the adrenalin going." "The rigour that starts with the entrance test is maintained right till the end," adds Madhabi Puri-Buch, Senior General Manager and Country Head, Operations, ICICI Bank and a class of 1988 alum. "The school readies you for 14-16 hours of work a day under extreme pressure." That hasn't changed a bit, laughs Mayank Rawat, an electronics engineer from IIT Delhi and a second year student. "I was given some half-a-dozen case studies on the very first day and asked to prepare for a discussion the next day."

The courses themselves change year on year. Take electives or optional courses that students opt for in their second year. The school offers 65 such. "One third of these electives are scrapped every three years and new subjects are introduced to ensure contemporariness," says J.R. Varma, Dean and Professor, Finance and Accounting. A sampling of new electives: entrepreneurship, telecom policy, insurance, agriculture and retailing. "No other school can boast such varied choice," adds Varma. The method of education itself remains case-study-led, which is a Harvard Business School-inspired way of teaching where students are challenged to present solutions to real-life problems faced by corporations and managers.

The Brand Custodians

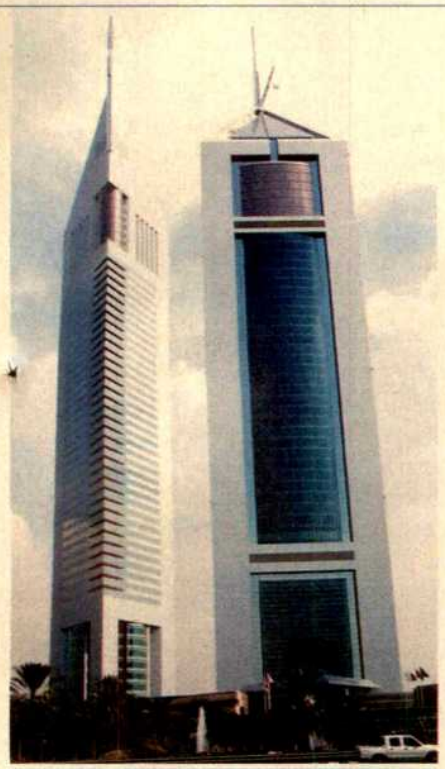
Dholakia believes that IIM-A's faculty is its differentiator. "A constant focus on research and development, which leads to evolution of new products and processes, which in turn provide an excellent interface between academics and business world, are the key to IIM-A's success and, this ever-evolving balance comes from the extraordinary work done by our faculty," he says. The institute has an in-house faculty of 82 (rival IIM-B has 71) and according to Dholakia, "their selection process is even more competitive than the entrance test for graduates". Two-thirds of management research in India comes out of IIM-A every year, he adds. IIM-A's faculty also consults for leading government and corporate entities; apart from helping generate material for case studies and burnishing the IIM-A brand some, this also brings in money, crucial for an institute that hasn't received a grant from the government for the past three years (50 per cent of the amount individual faculty members earn from consulting assignments goes to the school). The government-stipulated salaries for the instructors are a bit of a joke (a professor can earn between Rs 35,000 and Rs 42,000), but the faculty isn't complaining. "The autonomy, the atmosphere and the affiliation with a world-renowned institute, more than compensate for it," says Varma.

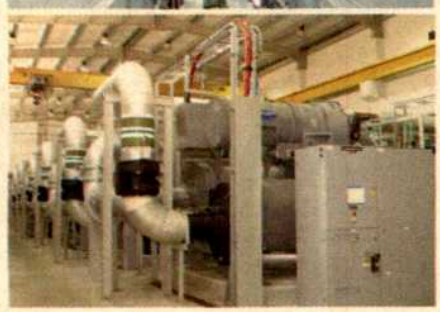
The world may have discovered India's better B-schools but schools in the US, even Europe are still considered a class apart. Despite this, a significant proportion of the country's best graduate talent chooses to stay back and study at the IIMs because, according to Rawat, "they offer a fairly world-class education at an extremely competitive price." For instance, while IIM-A's two-year post-graduate programme costs around $4,000 (Rs 1.84 lakh), the corresponding figure is

THEY SAW...

	ENGINEERING	COMMERCE	SCIENCE	AGRI	ARTS/ECONOMICS	OTHERS
IIM-A	75	8	4	0	3	10
IIM-B	79.7	10.9	4.9	0	2.1	2.1

Figures are proportion of class of 2006 from corresponding under-graduate streams





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THEY CONQUERED

	HIGHEST INDIAN SALARY	AVERAGE INDIAN SALARY	HIGHEST OVERSEAS SALARY	AVERAGE OVERSEAS SALARY
IIM-A	Rs 34 lakh	Rs 9.72 lakh	$185,000	$92,500
IIM-B	Rs 30 lakh	Rs 9.8 lakh	$193,000	$86,000

All salaries are per annum and are for the 2006 placements

around $100,000 (Rs 45 lakh) for European B-schools and over $150,000 (Rs 69 lakh) for American ones. And most students venturing abroad, maintains Monippally, do so because they can't clear CAT. That IIM-A is no less a brand than some of its global peers is evident from its track record at placements. This year, Barclays, a leading global investment bank, made 22 offers; of these, only 16 were accepted. The bank offered one student an eye-popping salary of $185,000 (Rs 85.1 lakh) per annum, a 22 per cent increase over the highest overseas salary ($152,000) offered by HSBC, London, last year. That a bank like Barclays should come to India to hire staff for its global offices and pick up as many as 16 candidates from one school, confirms what global B-school rankings don't. And other placement-statistics only drive home the point: 20 companies offered overseas placements; 17 students accepted jobs in the US, 28 in Europe, and several in Asian capitals; the top 50 students who took up jobs abroad were all made offers in excess of $100,000 (Rs 46 lakh).

Brand Extensions And Affiliations

IIM-A, insists Dholakia, has constantly been evolving and expanding. The school, he points out, offers the most number of courses and seats of any B-school in the country. For instance, it launched a PGP course in agri-business management last year; another, for executives, was launched this year. It also offers a doctoral programme in management, some 70 short-term management development programmes, and a faculty development programme for teachers, researchers and trainers. The school will have around 800 students on the campus next year and the new courses will help fill its coffers, too. The vision: to be among the top 20 business schools in the world by 2012. "In terms of our curriculum, faculty and students, we are already among the best in the world," says Dholakhia. "Where we lack is global exposure and diversity." Already, IIM-A runs a comprehensive exchange programme with some 35 global business schools. Every year, one-fourth of the PGP batch spends one term at these schools and in return, their students come to IIM-A. The school is also launching a double degree programme with France's ESSEC Business School and it has forged an alliance with Duke Corporate Education (US) to provide customised corporate education programmes to managers. "We will not set up our independent centres overseas till we are able to garner resources, like infrastructure and faculty," says Dholakhia. "Any gap there would dilute our brand equity."

Knowledge temple: IIM-A boasts of one of the biggest management-focussed libraries in the country

IIM-A loyalists, though, point to certain gaps that the institute should plug while moving towards achieving its larger goals. "Innovation and introduction of new courses should happen at a faster pace," says Warburg's Prasad. "IIM-A still doesn't have a comprehensive set of courses on practical aspects of capital markets and on investing as a profession." Genpact's Tyagrajan believes the school doesn't do enough to build soft-skills. "Management education in India doesn't lay much focus on people management. Skills like managing an older team, taking touch decisions like sacking should be taught seriously." And ICICI Bank's Puri-Buch believes that since it is undoubtedly the leader in its space, IIM-A should start emphasising the need for significant work experience before an MBA. "Practical experience helps understand theory better. This partly explains why graduates from Harvard or Wharton are considered superior to their Indian counterparts." Then, Dholakia and his team are not oblivious to these realities. "We know that if brand IIM-A has to rule the market, it will have to innovate and evolve constantly. We are at it," says Dholakia. "Always." ■

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The 'We-Try-Harder' School

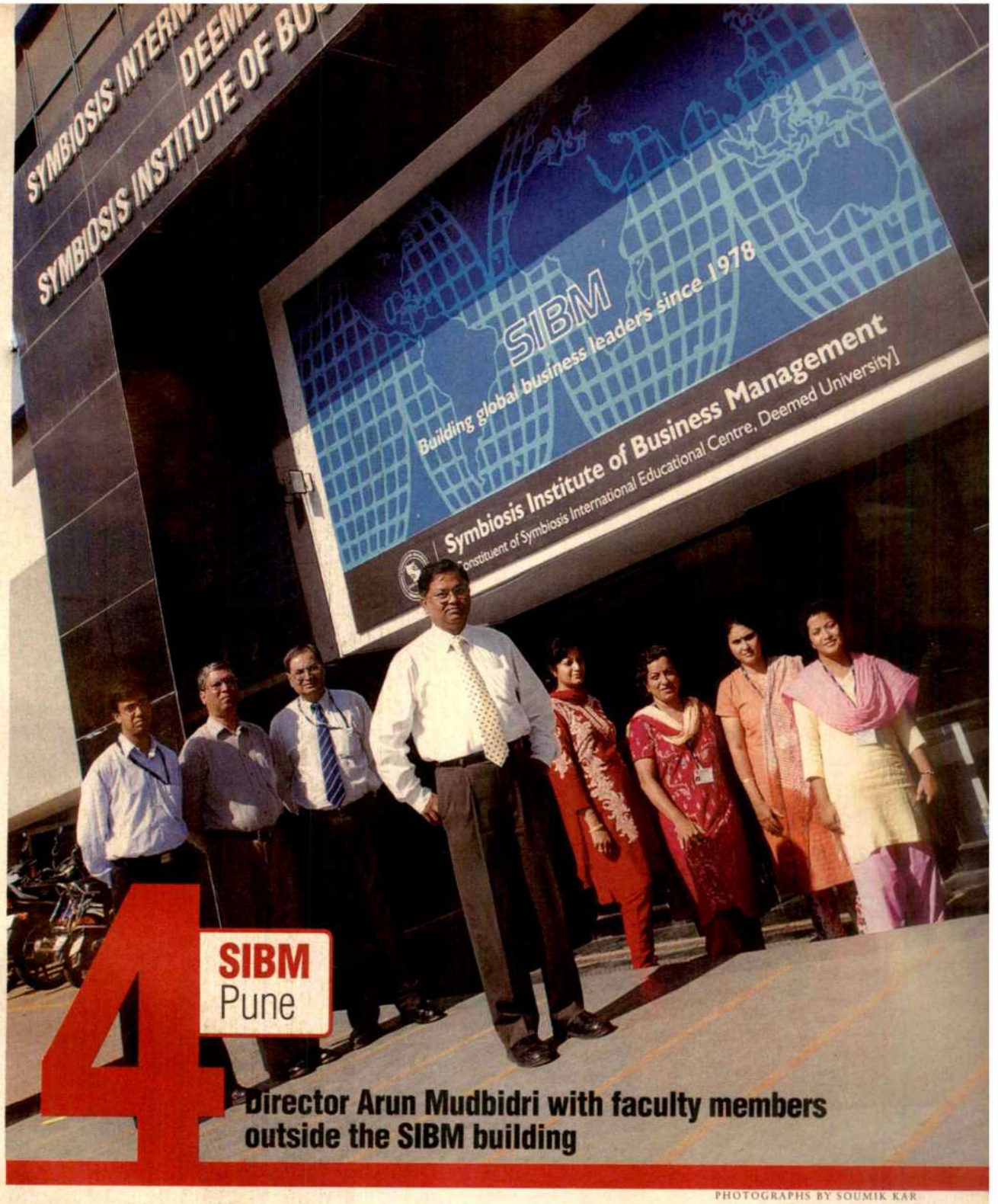
At 28, Pune's Symbiosis Institute of Business Management (SIBM) has emerged one of India's best B-schools. And it is also the sometimes-reluctant head of a growing family.

KUSHAN MITRA

NOT VERY FAR FROM THE QUITE UNREMARKABLE four-storey building that houses Symbiosis Institute of Business Management, still inside the B-school's smallish campus on one end of Pune's Senapati Bapat Marg, is a life-size statue of cartoonist R.K. Laxman's best-known character, the Common Man. It seems somehow apt that this, the epitome of ordinariness, stands as close as it does to the school which is, at once, both ordinary and extraordinary. It is ordinary because (let's be honest now), its name isn't just the location, prefaced by the letters I,I, and M. It is ordinary because it doesn't have a campus designed by architects as renowned as Louis Kahn or Balakrishna Doshi. And it is ordinary because it still (note the word) isn't among the first five or six words that come out of anyone's mouth when asked to name B-schools: IIM-A, IIM-B, IIM-C, IIM-L, XLRI, FMS.... It is extraordinary because it has ranked 6, 5, 8, and 4, in the three preceding editions and the current one of this magazine's survey of Indian B-schools. It is extraordinary because its success has engendered, at last count, five other Symbiosis schools that teach anything from human resources development to telecommunications management (more on this later). And it is extraordinary because, late last year, some 78,000 students sat for SNAP (Symbiosis National Aptitude test), the admission test to the various Symbiosis schools (SIBM would be everyone's first choice); this number compares favourably with the 125,000 that sat for CAT (Common Admissions Test), the admission test to the Indian Institutes of Management (IIMs). Arun Mudbidri, a

FACTFILE: SIBM

- **Founded:** 1978
- **Batch size:** 149 (class of 2006) increasing to 300 (class of 2010)
- **Faculty:Student ratio:** 1:25
- **Average domestic salary in placements 2006:** Rs 7.2 lakh
- **Average international salary in placements 2006:** $85,000
- **Number of offers made during placements 2006:** 191
- **Number of international offers made during placements 2006:** One
- **Success rate for applicants:** 1:300 (54,000 students opted for SIBM in the SNAP, 180 made it)



4 SIBM Pune

Director Arun Mudbidri with faculty members outside the SIBM building

PHOTOGRAPHS BY SOUMIK KAR

Class of 1984 alum and Director of the school, is happy enough with Symbiosis' achievements to start thinking of a brand-equity equal to that of the IIMs. "I want to make SIBM top of mind for prospective students." Already, by one measure at least, the success of Symbians (as the graduates are known, even though they hardly use this term anymore) in industry, Symbiosis would seem to have arrived. Why, in April, Shoppers' Stop, Perfetti India, and the India Today Group (which publishes *Business Today*), announced the appointment of new CEOs (Govind Shrikhande, Prakash Wakankar, and Ashish Bagga respectively) all within the space of a few days, and all Symbians.

The Makings Of Greatness

In many ways, the IIMs, at least the big three among them, the ones at Ahmedabad, Bangalore, and Kolkata, have it easy. They are established brands, and strong

WHAT MAKES SIBM TICK

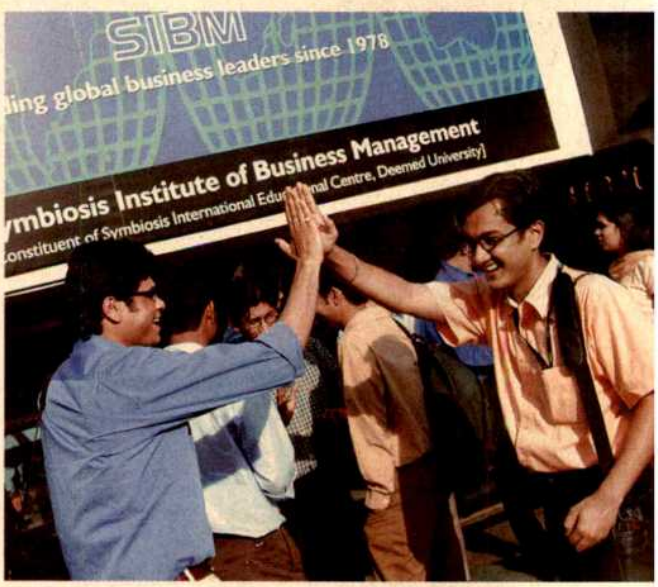
- Long serving faculty: Most of SIBM's teachers have been around for over a decade and many of them are from the institute
- Great corporate relations: SIBM's students and faculty go out of their way to facilitate corporate interaction from weekly industry reports to even doing projects for no cost
- Unmatched alumni interaction: The institute holds four annual alumni meets, but last year increased it to eight, including meets in Dubai and Singapore, and maintains an extensive alumni database
- Lots of extra-curricular activities: Students always have more than management studies on their minds, and that keeps them sharp

Talent house: SIBM students sharpen their skills in a vibrant culture

ones, and are probably the first choice of any student who wants a post graduate diploma in business management (PGDBM is what the IIMs offer, not an MBA). The best graduates compete for admission to these schools, and the few that get in do so after a three-stage process including a tough test, a group discussion, and an interview. The gruelling two-year programme sharpens the skills of these best-of-the-best. And companies vie to hire them. In turn, these individuals go out to companies and perpetuate the culture and the brand of the IIMs. So, how does a school like SIBM break into this elite club?

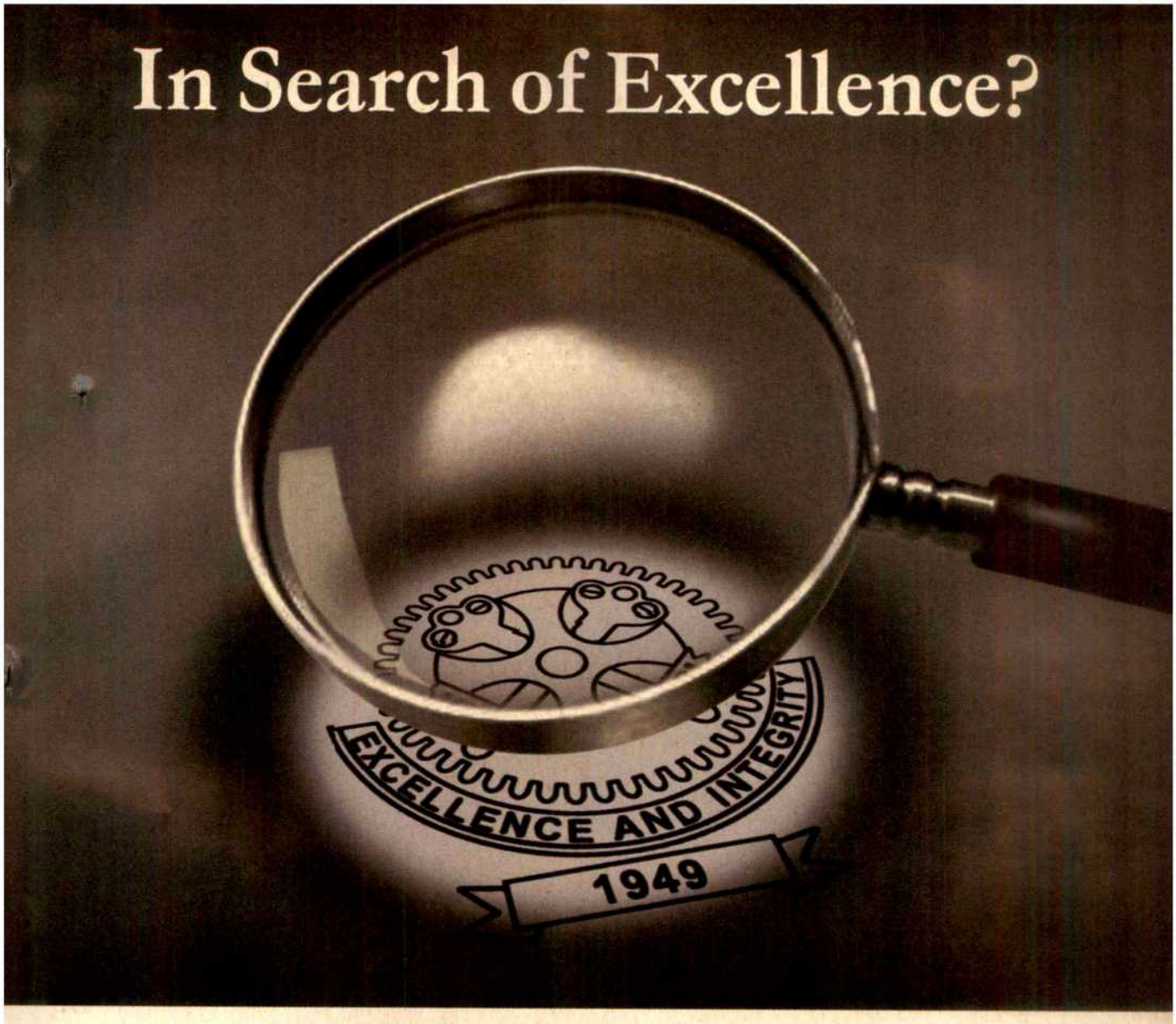
The hard way (actually, there would appear to be no other). Since 1978, when it was founded, SIBM has worked hard at the things that make a good school: a tough entrance test (until 2002, this was a test for admission to just SIBM; since then, the school has moved to SNAP), a good curriculum (till 2002, SIBM was under the purview of Pune University, and had to follow the university's guidelines; in that year, Symbiosis Society was recognised as a deemed university by the government, allowing it to set its own curriculum for courses, and conduct SNAP, a common test for admission to several Symbiosis institutions), a vibrant on-campus culture (despite the fact that there isn't really much of a campus), and good relations with alumni. Last year, for instance, SIBM organised eight alumni meets, including one each in Dubai and Singapore, and the school even boasts a Young Managers Development Programme that helps just-

Umbrella brand: S.B. Majumdar, founder, Symbiosis Society, wants the family to get even bigger



Bonding with the best: It's a great place to study, echo students as their brand equity soars

In Search of Excellence?



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In addition to the insights and instruction provided by an experienced faculty, much learning takes place as students share their point of view at interactive sessions. Along with enhancing managerial competence, a sense of social justice, values of dedication and commitment are also instilled among the team. At **XLRI** development of mental and social skills are of equal importance in moulding the managers of the future.

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MAGNUM INTERGRAFIKS/ XLRI/ 0606

THEY WENT TO SIBM

- **Ranjan Acharya**, Corporate VP, HRD/ Wipro **(class of 1980)**
- **Melwyn Rego**, MD & CEO/ IDBI Home Finance **(1981)**
- **Vikas Phadnis**, CEO/ Bell Granito Ceramics **(1981)**
- **David Lobo**, VP/ GE Consumer Finance (US) **(1983)**
- **Bhaskar Menon**, President/ Mphasis **(1984)**
- **Govind Shrikhande**, CEO/ Shoppers' Stop **(1984)**
- **Prakash Wakankar**, CEO/ Perfetti India **(1985)**
- **Pradeep Gidwani**, MD/ Red Bull Beverages, Dubai **(1986)**
- **Ravi Menon**, Director/ GIB - India, HSBC **(1986)**
- **Ashwin Deo**, MD/ Moet Hennessy India **(1987)**
- **Vivek Chandra**, VP, Business Develop./ Tech Mahindra **(1991)**
- **Arun Mansukhani**, GM, HR/ Hutchison Essar **(1993)**

out-of-SIBM students cope with the first six months on a job. "You'd be surprised at how effective this is," says Mudbidri. "There are several reasons (why SIBM is popular with students) but the two major ones are the strength of our alumni network and the quality of corporate interaction," adds Shikha Singhania, a second-year student at the school.

The alumni factor is beginning to count now: it takes an individual between 15 years and 25 years to make a mark in industry, and Symbiosis is now 28 years old. Several students from earlier batches are now in senior management positions in companies, and the school has managed to stay in touch with most. "The bonds you made back then still hold," says Ravi Menon, Director, Global Investment Banking, HSBC, and part of the Class of 1986 (his wife, Tina, is from the same class). "It (Symbiosis) was a great place to study."

One Brand, Many Schools

Today, Symbiosis Society runs six post-graduate management institutions. Apart from SIBM, these are Symbiosis Centre for Management and Human Resource Development (SCHMRD), Symbiosis Institute of Management Studies (SIMS; this is only for the children of defence personnel), Symbiosis Institute of International Business (SIIB), Symbiosis Institute of Telecom Management (SITM), and Symbiosis Institute of Operations Management (SIOM).

Most recruiters associate the name Symbiosis with SIBM, but there are some who do it with the other schools; even in the *BT*-ACNielsen ORG-MARG survey, it is likely that most respondents meant SIBM when they said Symbiosis (which would mean that of all the Symbiosis schools, SIBM has the first claim to being the fourth best B-school in the country).

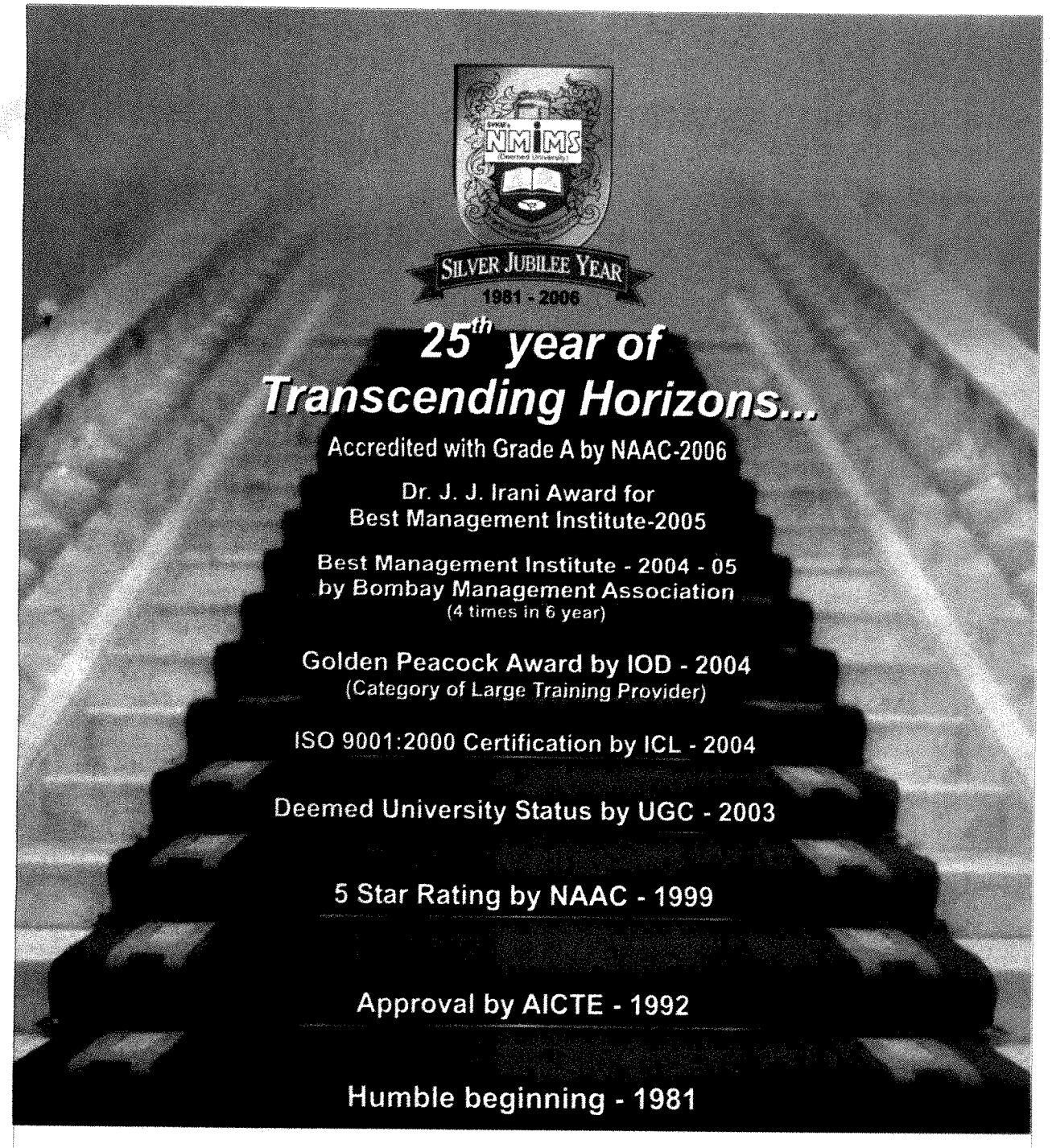
"SIBM is the oldest and its alumni are beginning to do very well and therefore, maybe it does get associated with the name more," admits S.K. Mujumdar, Founder of the Symbiosis Society, who see Symbiosis as a sort of umbrella brand. "Old recruiters know the difference between SIBM and the rest," says Shloke Churiwal, a second-year student who is on the placement advisory team, "but there is a level of confusion, particularly among companies we approach for the first time."

That doesn't bother either Mudbidri or Mujumdar; both can't wait for SIBM to move into its new campus, just outside Pune. "If SIBM has to become a world-class institute, it needs a residential campus with great infrastructure," says Mujumdar. "We will expand courses and enter lucrative areas such as executive development," gushes Mudbidri. And that, too, will do its bit for the Symbiosis brand. ■

HOW STRONG IS THE SYMBIOSIS BRAND

Overall Brand Equity Score	1.29
MBA Aspirants	1.29
MBA Students	1.3
HR Heads (Recruiters)	1.39
Young Executives	1.12
Functional Heads	1.35

All figures are brand equity indices according to ACNielsen ORG MARG's Winning Brands model. According to this model, in a competitive market, Monopoly Brands boast brand equity scores between 4 and 6, Winning Brands between 3 and 4, Distinct Brands between 2 and 3, Undifferentiated Brands between 1 and 2, and Mediocre Brands less than 1. Symbiosis is one of the four schools that registered an overall brand equity score higher than 1.



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NMIMS

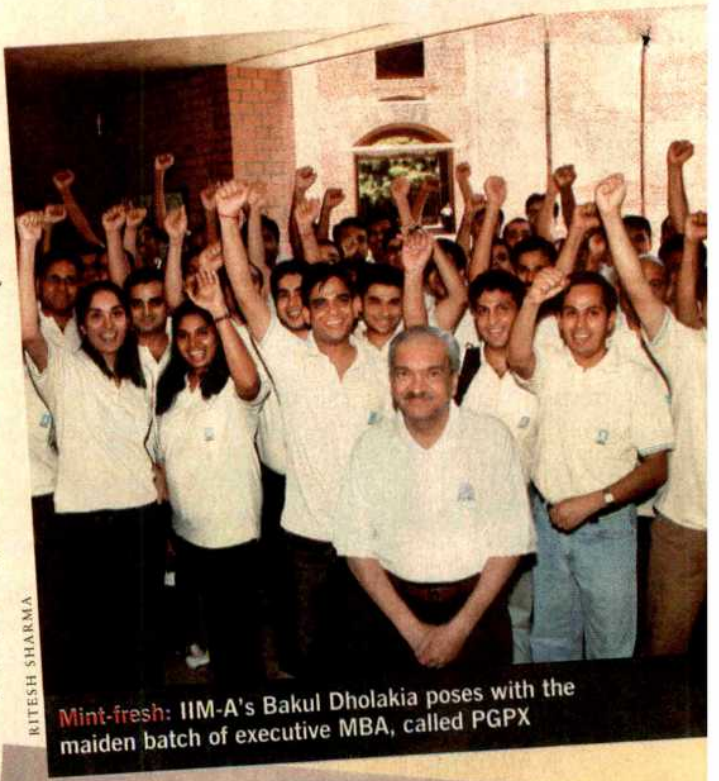
Educating The Managers

Demand for executive education is soaring, and the leading B-schools have responded with some innovative programmes. As for employers, they are only too happy.

AMAN MALIK AND SHALEEN AGRAWAL

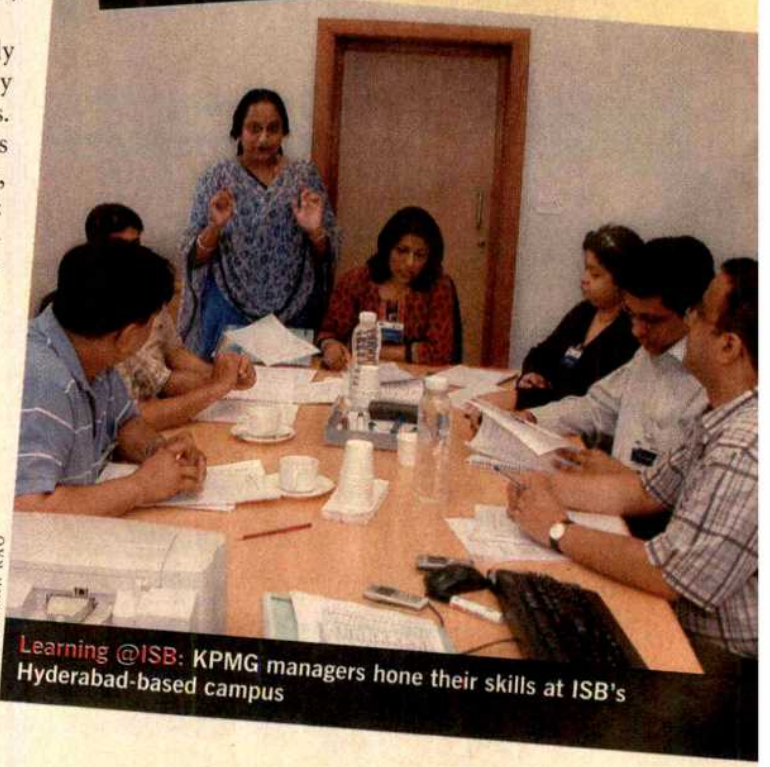
PICTURE THIS. YOU ARE ON THE OPERATIONS side in your company. You have five to seven years of work experience, a decent pay package, supportive colleagues and a promising work environment. Yet you haven't managed getting to that coveted general management position. What comes in the way is the lack of that crucial MBA tag to your resume. Most of your colleagues with MBAs have already passed you by. You are in a fix as to what to do because you cannot leave your job for two years to get back to a regular MBA programme, primarily because of the opportunity cost involved. Besides, who's going to pay the bills (the EMIs for your apartment and car) while you are away in a B-school?

The top B-schools in the country probably had managers like you in mind when they devised their executive education programmes. The concept is, of course, not new, but it is rapidly evolving. Says Prakash Apte, Director, Indian Institute of Management Bangalore: "There has been no major change in management education in the country, except for executive education. There is a growing demand from practising managers for management courses." In fact, among themselves, the top 10 B-schools in the country offer as many as 20 such courses, not counting those with duration less than six months. More than 3,000 executives are enrolled in such courses. While some are fully or partly residential, a fair number are weekend or distance learning courses (via VSAT). Says Prof. B.B. Chakrabarti of IIM Calcutta, "If someone has done line management throughout his career, he might find it



KITESH SHARMA

Mint-fresh: IIM-A's Bakul Dholakia poses with the maiden batch of executive MBA, called PGPX



A. PRABHAKAR RAO

Learning @ISB: KPMG managers hone their skills at ISB's Hyderabad-based campus

difficult to rise to the level of a General Manager. We can at least provide the requisite knowledge and skills that would help him reach there."

Chakrabarti says that the curriculum for the one-year, full-time residential Post Graduate Programme for Executives (PGPEX) at IIM-C is devised to help executives taking general management positions in their respective organisations. "To rise quickly up the ladder," reckons C.D. Bhattacharya, Dean, Faculty of Management Studies (FMS), Delhi, "a person needs to have strong conceptual, analytical and communication skills." Bhattacharya claims that several middle-level executives who have graduated from the three-year, part-time MBA programme at FMS have quickly risen to senior management positions.

Look Before You Leap

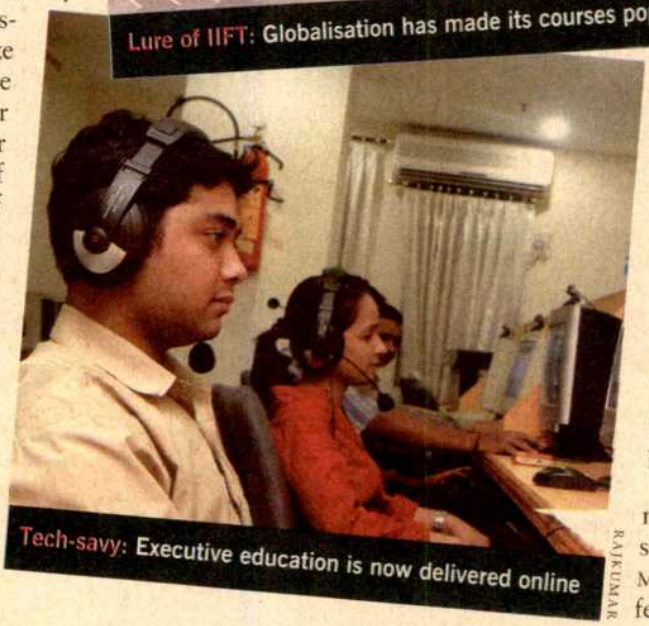
But most such people have risen within their own domains. Executive programmes are not passports to an entirely new career. So if you are looking to shift,

WHAT'S ON OFFER AT THE TOP 10 B-SCHOOLS

INSTITUTE/ PROGRAMMES	DURATION	FEES	RESIDENTIAL/ NON-RES.	ELIGIBILITY	SELECTION
IIM-A					
PGPX	**1 year**	**Rs 10 lakh**	Res	Graduate, Minimum 27 years of age	GMAT scores
IIM-B					
Executive General Mgmt Programme	**7-8 months**	**Rs 1.8 lakh**	Non-res	Graduate, Minimum 5 years experience	CV and interview
Advanced Mgmt Programme	**6 months**	**N.A.**	Non-res	Graduate, Minimum 10 years experience	CV and interview
Advanced Financial Risk Mgmt Prog.	**1 year**	**Rs 1.6 lakh**	Non-res	Graduate, Minimum 2 years experience	CV and interview
IIM-C					
PGPEX	**1 year**	**Rs 8 lakh**	Res	Graduate, Minimum 5 years experience	GMAT scores
plus 19 other specialised programmes	**1 year**	**Fees vary**	Res	Varies	Varies
IIM-L					
PGP in Business Management for Working Managers (Part-time)	**3 years**	**Rs 1.05 lakh**	Non-res	Graduate (50%), Minimum 2 years experience	Written test, GD and interview
IIM-I					
Executive PGP in Management	**18 months**	**Rs 4 lakh**	Part res	Graduate, Minimum 5 years experience	CAT/GMAT and interview
FMS					
MBA (Part-time)	**3 years**	**Rs 10,000 p.a.**	Non-res	Graduate, Minimum 3 years experience Employer sponsorship required	Test and interview
MBA (Healthcare Admin)	**3 years**	**Rs 10,000 p.a.**	Non-res	MBBS, Minimum 5 years experience Employer sponsorship required	Test and interview
JBIMS					
Mgmt Development Programmes*	**1 year**	**Fees vary**	Non-res	Graduate and work experience (for mid to senior level employees only)	Varies
MBA (Part-time; four programmes with different specialisations)	**3 years**	**Rs 17,000 p.a. (approx.)**	Non-res	Graduate and Minimum 2 years experience	Test, GD and interview
XLRI					
Graduate Management Programme	**1 year**	**Rs 2.24 lakh**	Res	Graduate and 3 years experience	XAT and interview
Exec-Post Graduate Programme	**3 years**	**Rs 3.04 lakh**	Res	Graduate and 3 years experience	XAT and interview
Exec-Fellow Programme in Mgmt	**4 years**	**Rs 90,000**	Part res	MBA, 3 years managerial/supervisory experience	Interview
Satellite Programme	**14 months**	**Rs 1.8 lakh**	Non-res	Graduate and working executive	Interview
IIFT					
MBA (International Business)	**3 years**	**Rs 85,000 p.a.**	Non-res	Graduate with 3 years experience (company sponsorship or NOC)	Essay, GD and interview
Exec. Masters in Intl Business	**18 months**	**Rs 1 lakh**	Non-res (Res. for outstation candidates)	Graduate with 5 years managerial experience or PG degree with 3 years managerial experience	Essay, GD and interview
Exec. Masters in Intl Biz (via VSAT)	**18 months**	**Rs 1.41 lakh**	Non-res	Same as above	Essay, GD and interview
SIBM					
Executive MBA	**2 years 6 months**	**Rs 45,000 p.a. Rs 75,000 p.a. for sponsored**	Non-res	Graduate with 5 years experience	Test, and interview

*Programmes specially tailored for companies

Lure of IIFT: Globalisation has made its courses popular



Tech-savy: Executive education is now delivered online

RAVIKUMAR

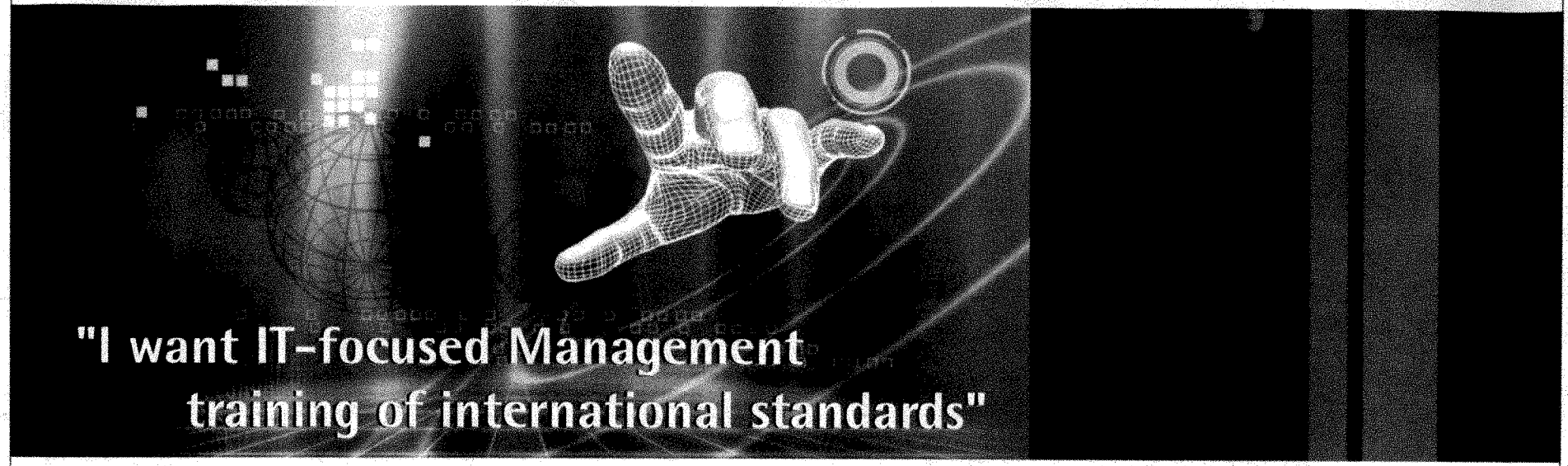
say from manufacturing to HR, executive education may be of little help. "We advise those looking for a change in career against pursuing such courses," explains a Delhi based B-school professor. "At best these programmes are a value-addition to your experience within the industry," he says. Moreover, executive programmes do not offer any formal placement assistance. "Students do make attempts to organise something on their own," says Professor M.S. Narasimhan of IIM-B, where students of the eight-month Executive General Management Programme (EGMP) are trying to tie up with placement agencies for lateral moves. Out of the top 10 B-schools, only IIM-A, C and I offer placement assistance. XLRI Jamshedpur, however, plans to introduce a regular placement facility for two of its executive education programmes, starting this batch.

But a promotion and a fatter pay packet are not the only reasons why middle-level executives aspire for management courses. IIM-B, for one, claims that its executive education programmes are aimed at "broadening the outlook and strengthening the skills of practising managers". This is exactly what Mukta Arora achieved after going through EGMP at IIM-B. "I joined the programme to develop my skills around strategic thinking and also for networking around the industry," says Arora, Vice President (Supply Chain Management), Eli Lilly. Arora, with 15 years of experience, now finds herself better equipped for her career ahead. "The basic change is that one begins to appreciate the cross-functionality within the organisation," she feels. Adds Vasudev Chivukula, a 39-year-old executive with Larsen & Toubro, currently pursuing a three-year, part-time MBA at XLRI: "There is no scope any more for applying trial and error methods at the workplace. Today, you need to be effective very timely and in every circumstance."

Since the takeout from executive courses can vary widely depending on the participant's own input in terms of time and energy, the institutes tend to pick their participants with some care. Typically, a minimum work experience of, say, five years is expected. Another requirement is experience at a supervisory or decision-making position. "Executive students often have clearer goals in mind as compared to most freshmen," says L.D. Mago, a professor at the Delhi-based Indian Institute of Foreign Trade (IIFT), which runs three different executive programmes.

The core curriculum of most such programmes is similar to that of a regular MBA course. Where they differ is in delivery. The teaching is mostly through case studies, which require the students to do extensive reading and discussion to come up with appropriate solutions. "The level at which we pitch the course and content is very different. Here the things are to be done in fast track," says IIM-C's Chakrabarti. "We do not dwell too much on the elementary aspects of subjects like organisational structures, as all students are working executives and have a fair grasp of the practical aspects," adds Mago of IIFT.

The programmes are, therefore, designed to focus more on real-life business situations and the workplace. Most schools (especially the IIMs) now follow the case study method for executive courses and some even develop their own case studies based on the most recent developments in industry. Some others like FMS, however, still cover aspects theoretically. "We are not as rigid as some of the IIMs when it comes to teaching methodology," explains Bhattacharya of FMS. Almost all B-schools, especially the autonomous ones, claim to modify and even overhaul their course modules on a regular basis so as to remain relevant to



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industry needs. But those like FMS that are a part of the university system, find it harder to affect change quickly.

The B-schools claim that these courses are as rigorous as the regular MBA programmes. In fact, some schools also claim that their executive programmes (especially the ones offered part time) are longer than regular MBA programmes so as to keep the academic content as rigorous as that of the regular courses. "Our Post Graduate Programme in Business Management for Working Managers is as good as any MBA programme. It is a part-time programme that is why it is three-year long," claims Professor Sushil Kumar of IIM Lucknow. Some like Abhishek Kumar, a Tata Steel executive pursuing a part-time MBA from XLRI, choose to do a part-time course because they "want to have the best of both the worlds". But there are others who candidly admit that an executive programme can, in all fairness, never be as competitive and rigorous as a regular MBA. "The number of applicants for such courses is far fewer. Moreover, because most such courses are non-residential with classes in the evening or over the weekends, there is often minimal interaction between the faculty and students and among the peer groups themselves," concedes a senior professor at one B-school. "Conducting such courses often becomes a logistical nightmare."

Remote Delivery

As a result, B-schools are experimenting with various delivery methods. IIM-B and IIFT offer their programmes over the weekend on campus and also to remote centres via live webcast. On the other hand, IIM Indore, which offers an 18-month long Executive Post Graduate Programme in Management, has its course divided into six terms of three months each, and the participants are supposed to stay on campus twice a term, for nine-10 days each. This is where the employer's consent becomes important. Professor Ashish Sadh from IIM-I says that employers are encouraging this type of education. "Organisations provide abstract ideas, which become inputs for such courses," contends R.K. Jadhav, Director, Jamnalal Bajaj Institute of Management Studies (JBIMS), Mumbai. To ensure that there is no objection from the employer while the employee pursues the course, most schools seek organisational sponsorship or a 'no objection certificate' from the employer. Kamal Singal, who took the programme at IIM-I, says he went for this even after putting in 10 years in industry and after having already reached the senior management position. "The organisation also supports this kind of learning as it is good to see people growing," says Singal, Head (Operations) for denim garments, Arvind Mills. Concurs Dipankar Dasgupta, Abhishek Kumar's line manager at Tata Steel: "Such programmes help broaden the canvas available to employees and develop skills they require to take on greater responsibilities."

Executive education, however, does not come cheap. There is a huge difference between fee structures of courses offered by autonomous/private B-schools like the IIMs and XLRI and those such as FMS and JBIMS that operate within the university system. If you plan to pursue a year-long PGP for executives at IIM-A, be ready to shell out Rs 10 lakh in fees. Similar, but not identical, programs at IIM-B and IIM-I will set you back by Rs 8 lakh and Rs. 4 lakh, respectively. On the other hand, a three-year, part-time MBA from FMS and JBIMS will cost you a little over Rs 30,000 and Rs 51,000, respectively. This disparity may not remain for long. If informed sources are to be believed, FMS may raise its fee from the current Rs 10,000 to Rs 1 lakh per annum. But if you can manage to convince your employer to foot your bill, be prepared to stay on at the company, since that may be part of the sponsorship contract.

Despite the high costs involved, there is a growing number of takers for such courses. "Managers today are beginning to recognise the need to beef up their resume, which is why executive courses are gaining ground," reckons Prabir Sengupta, Director, IIFT. Father N. Casimir Raj S.J., Director, XLRI, agrees: "As long as corporations feel management graduates contribute to their growth, such programmes will remain attractive." And B-schools, which make a killing on executive education, are only too happy to oblige. ■

THE ISB EFFECT

THE HYDERABAD-BASED INDIAN School of Business has played a key role in popularising executive education in the country. Although ISB doesn't call it so, its flagship one-year MBA programme is actually a perfect fit for managers who don't want to spend two years out of employment for an MBA degree. Therefore, a large number of the students who get into ISB have several years of work experience. A minimum experience of two years is mandatory. The programme's objective, says Deputy Dean, Ajit Rangnekar, "is to create leaders for a fast-developing economy, which need a new kind of leadership". An MBA at ISB, which looks for leadership potential among its applicants apart from their GMAT scores, doesn't come cheap: It costs a whopping Rs 14 lakh (not including accommodation and food). That apart, the school runs several short-term courses, often designed specifically for some companies.

"It was the best decision I made going to Oxford Business College. I completed my MBA and immediately secured a well paid job in the UK. I highly recommend the college."

Donald Mashingaidze

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Amity-Leading The Pack

RACHNA SARKAR

How do you improve on being ranked the best private Business School in the Country three years in a row? By going out and being ranked the best Business School in south Asia by Asia Inc. This is exactly what Amity Business School has achieved.

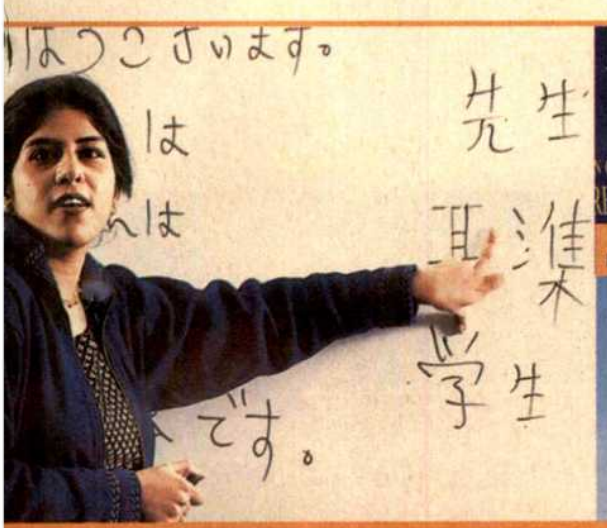
I walk onto the sprawling Amity campus wondering what the best private Business School in south Asia will look like. Young, smart people sitting in formals on a bench working on their laptops is maybe just what I had in mind.

'Amity was the first wireless campus in India and we all got Hewlett Packard top-of-the-line wireless laptops the moment we joined' exclaims Varun Sarin, a first year student. 'Interacting with each other and the faculty using the intranet is now a way of life. Most companies that come for placements are not as hi-tech as we are at Amity.

A few chats with students later and it is clear that they are really proud of studying here. 'I have friends studying in some of the best B-schools in the country and they are all jealous of the amount of industry interaction we have. Which other School has helped the corporate world interact with gurus like Tom Peters, Steven Covey, Philip Kotler, Robert Kaplan and Kenichi Ohmae?' asks Anushka Rathore while eating her Thai veg curry in the rooftop restaurant.

Thai veg curry? An air-conditioned cafeteria more befitting a five star hotel? What has happened to institutions since I went to college? Maybe this is why Amity is ranked number one...

'We transform people' explains Dr. Sanjay Srivastava, an authority on Organisational Behaviour and senior professor at Amity. Apart from the normal classes in management, it seems Amity teaches unique things like art

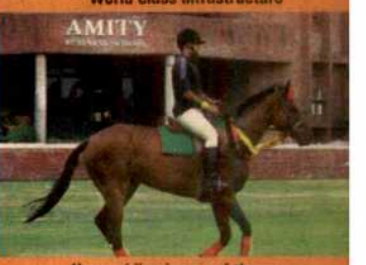


Japanese is one of the many languages taught at Amity

Great leaders, like Mr. Gopal Krishnan, Executive Director, Tata Sons, regularly come to campus

Amity has the most hi-tech world class infrastructure

The Military Training Camps at Amity help imbibe the spirit of discipline among students



Horse riding is one of the many extra-curricular activities offered on campus

appreciation and even golf. Every student has to have proficient knowledge in a foreign language to graduate. With Japanese, French, German and Spanish being offered I wonder what else can be left. 'Military Training is the most fun though', I am informed by Chandana Mathur, a second year student. 'We all roughed it for one week on Amity's 150 acre campus in Gurgaon in our army fatigues. Parasailing and rifle shooting were just some of the things we did. But the most important thing we got out from this was the immense patriotic feeling. We all wanted to join the army!' With over 92 electives in the general MBA, allowing students to design their own degree, Amity also offers specialized programmes in the areas of International Business, HR, CRM and Entrepreneurship. 'Our programmes are updated every six months with the help of our Industry Advisory Board' claims Mr. Anil Sethi of the Amity Corporate Resource Centre (CRC). The list reads like the who's who of the corporate world and I am surprised they find the time for all this. 'Every student has an industry mentor', adds Mr. B. K. Srivastava, the former Vice President, Whirlpool and now a faculty at Amity.

Amity has instituted the unique CEO Dinner Series where a group of students are sent with a CEO to a restaurant to have dinner. Not only do they learn how to interact closely with a leading personality, but establish a mentor for life. With such unique initiatives and the fact that over 500 CEOs have come and spoken to Amity students, it is no surprise that students are getting the pick of the jobs they want.

Amitians are winners wherever they go. Here, winning at IIM Ahmedabad Festival

With companies like Tata Consultancy Services coming on campus and many students walking off with packages of Rs. 10 lakhs and more, there is a euphoric atmosphere on campus. Five students suddenly run up and start touching the feet of all the teachers standing around. It seems that India Bulls has had a bull run at Amity. The institute's slogan of modernity blending with tradition suddenly makes much more sense to me. Where else do you see so many 24 year old touching feet these days?

'Our real inspiration is our Founder President Dr. Ashok K. Chauhan' says the head of Amity Business School. 'He went to Germany over 4 decades ago with only three pound sterlings in his pocket on a government scholarship, and in true rags-to-riches style built up a huge business empire. When Dr. Chauhan talks to the students about his experiences, it is amazing. No textbook can ever teach what he does'.

Dr. Ashok Chauhan's vision is that India will become a World Superpower by 2030. With over 40,000 students across 22 campuses in virtually every professional field, Amity seems to be spearheading the education revolution in India... not bad for only fifteen years of existence.

ADVERTORIAL

India's Best B-school Profs

If you are a professor, what does it take to win the respect and admiration of some of India's brightest kids? A complete mastery of your subject apart, it takes some self-deprecation and a sense of humour. Meet the nine most popular professors at IIM-A, B and C. AHONA GHOSH

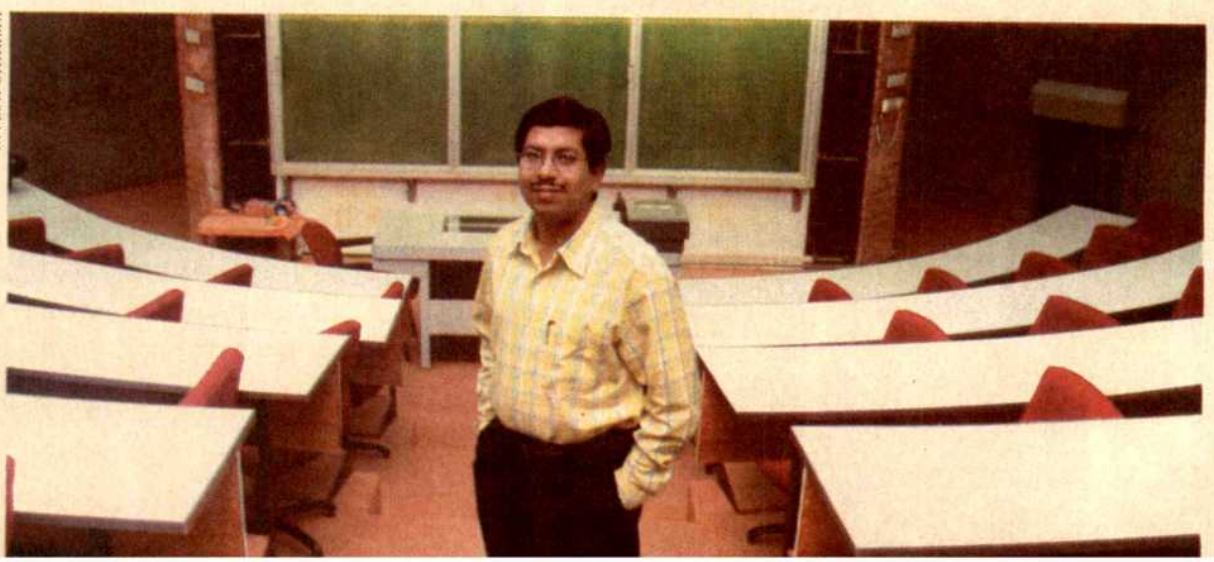
IIM-A

Arnab Kumar Laha/ Probability and Statistics

A Head For Numbers And Humour

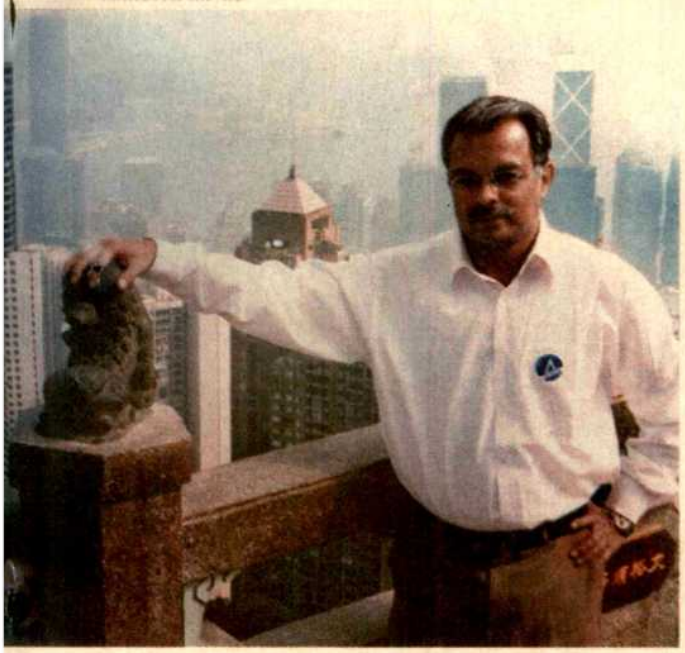
CALCULUS ISN'T THE EASIEST OF SUBJECTS TO LEARN IF you've never studied it before your first year of MBA. Yet, Arnab Kumar Laha, a 38-year-old Professor of Probability and Statistics at IIM Ahmedabad, never has trouble getting a full house. Why? He knows just how to put the greenhorns at ease. He tells them jokes and spins funny stories around statistics to make the subject less formidable. "He comes down to the level of the students to explain concepts," says Anuja Trivedi, 23, one of his second-year students. Laha is so good at keeping his students engaged that most of them actually enjoy his 90-minute lectures. Not surprisingly, IIM-A's graduating class of 2006 had no trouble voting him as the best professor.

Interestingly enough, Laha never set out to be an academic. After getting his bachelors and masters degree in statistics from the Indian Statistical Institute, he worked with a software company for one year, before taking a break to do his PhD. That done, he decided to turn to teaching and joined IIM-A in 2004. It is "the ability to remain at the frontier of research that drew me to academics," reveals Laha. Understandably, then, when not teaching, Laha spends time on research. Currently, he is working on 'change-point problems' relating to financial volatility in stock prices. That's another reason why his new students may not want to miss his classes.

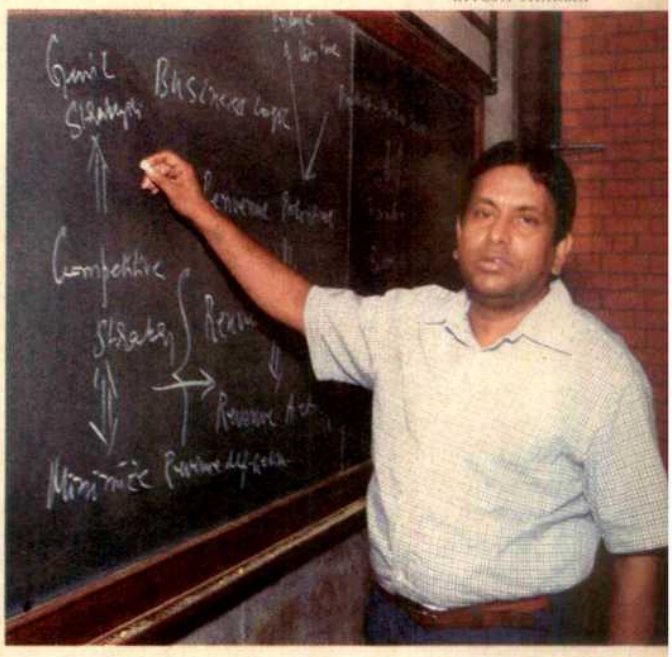


RITESH SHARMA

SHAILESH RAVAL



RITESH SHARMA



Ajay Pandey/ Finance and Accounting

Philosopher Engineer

LAST YEAR, THE HEADCOUNT AT ONE OF AJAY Pandey's courses, 'Philosophies of Management', shot up from about 80 to 180, forcing IIM-A to create a new section. "This is a course geared to questioning, in a pragmatic way, all that one learns in the classroom," explains the 43-year-old. His students find him so good at it that they have even given him a nickname: "God of All Things". "Once he was explaining how stock markets behave and he ended up correlating it to human behaviour and even philosophy," says Mayank Rawat, 25, a second-year student. Pandey's lectures on finance too are sprinkled with titbits on philosophy, often making a deep impression on his students.

Voted the 'all-rounder professor' of the year in 2005, Pandey came to IIM-A five years ago from Engineers India Ltd. Before that, he did a short stint at ONGC after finishing his fellowship programme at IIM-A. All that apart, Pandey has done teaching stints at IIM Lucknow, the Administrative Staff College of India, and Management Development Institute, Gurgaon, and worked in the financial services industry for three years. "Today, I enjoy what I am doing, but I don't know what I want to do looking ahead or what I have always wanted to do," declares Pandey, with a touch of philosophy. "But my true sense of accomplishment lies in the rapport I have been able to build with my students," he adds as an afterthought.

Ravichandran N./ Strategy and Operations

The Value-adder

AMBITION WITHOUT ABILITY IS A SURE RECIPE FOR casualty in business." That's one of the many one-liners Ravichandran N. likes to keep throwing at his students in between demystifying the intricacies of strategy and operations. Do students appreciate his one-liners, which sometimes tend to wound them as well? Let's just say that, over the years, they have actually turned books out of such pithy remarks. "They give me a copy once in a while," laughs the 52-year-old popular professor. At least, in the case of the first-year students, Ravichandran says, he likes to maintain a tough veneer, but the sophomores end up becoming "his brothers and sisters". He's even co-authored a book called *Competitive Strategy* with his students, and he proudly points out that only two chapters in the book were written by him and the other 10 by his students. The 'book' is, of course, a compilation of student assignments, but made more rigorous under his guidance.

The IIT Madras engineer says that he doesn't believe in too rigid a learning structure and, therefore, prefers spontaneous lectures in the classroom. He feels that the student-teacher relationship will sustain only when there is a clear value addition to the students. Kindling curiosity, responding to them and adding value are the three most important aspects of being a teacher, he says. Quite clearly, the students think he does all three very well.

IIM-B

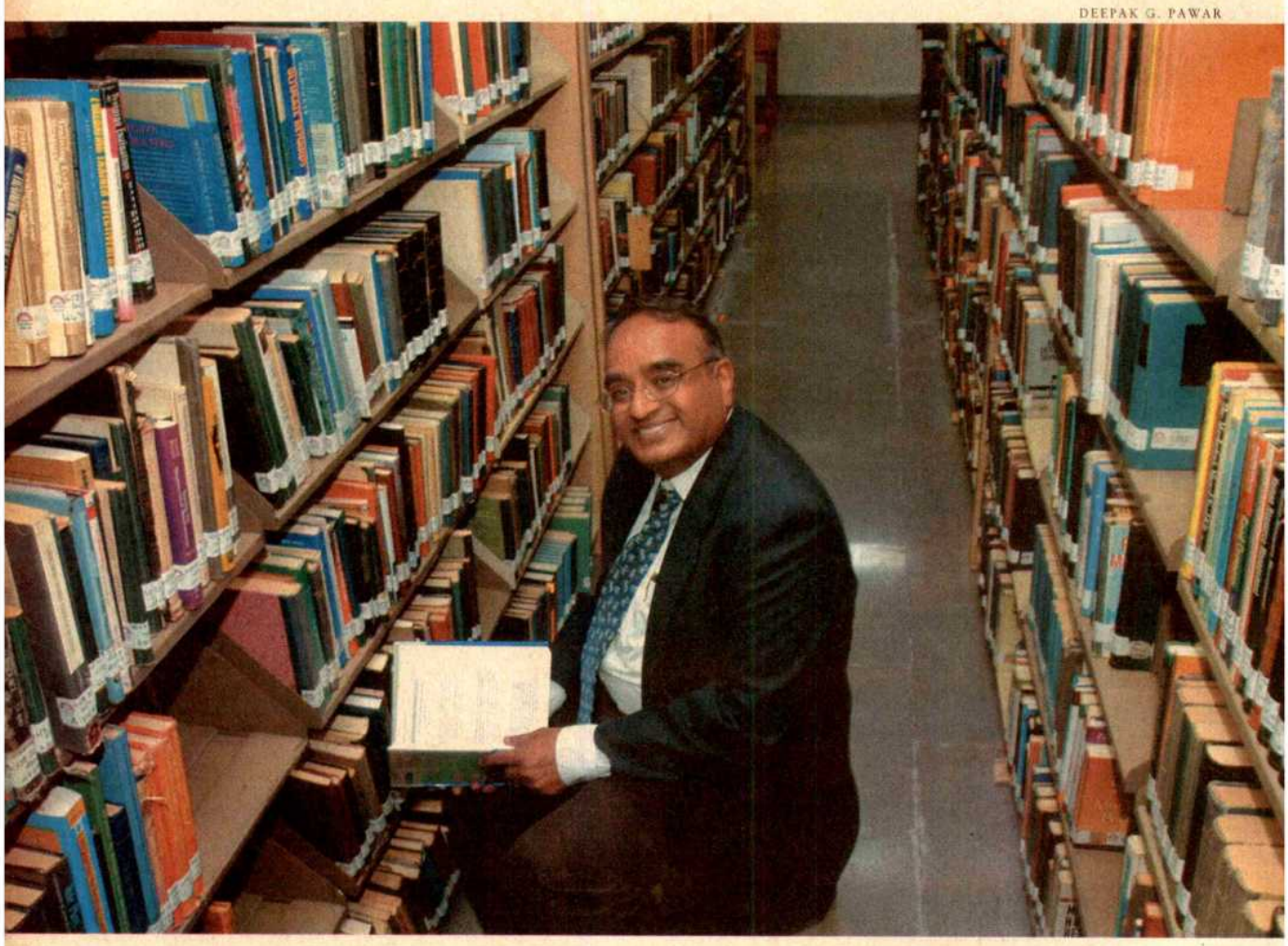
R. Vaidyanathan/ Finance and Control

A Man For All Seasons

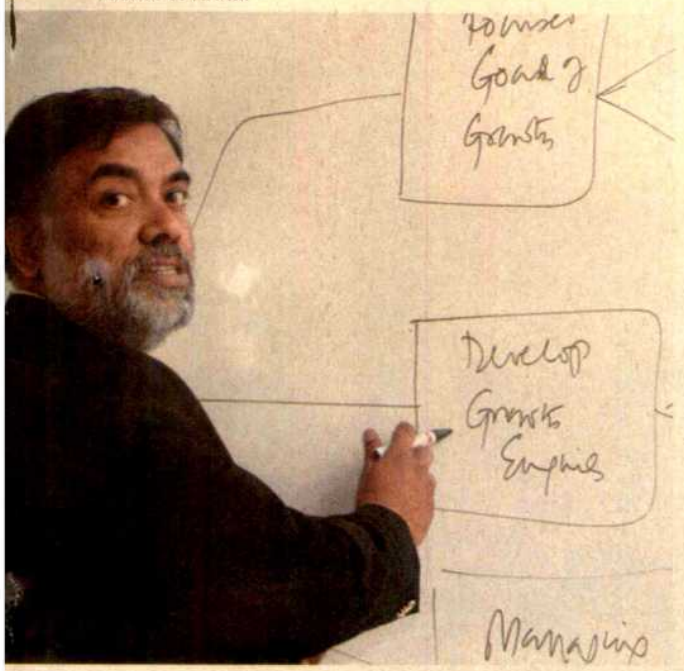
HERE IS ONE PROFESSOR WHO NOT ONLY INFLUENCES the world views of his students, but also those of the regulatory bodies of the country. Professor of Finance and Control, R. Vaidyanathan sits on the advisory boards of SEBI and the Reserve Bank of India (RBI). But here's the thing about the two-time Fulbright Scholar: He doesn't hesitate professing his ignorance if he doesn't know something. "Some of my students really get shocked when I tell them that I don't know something," he quips. But, then, there aren't too many things that this doctorate in management from IIM Calcutta doesn't know about. "Not too many professors can teach as well as entertain, but he strikes a perfect balance," says Sriwatsan K., 23, a second-year student at IIM-B.

Despite his vast experience, the 54-year-old Vaidyanathan spends at least one hour preparing for a two-hour class. "Well prepared and sincere faculty is any day appreciated (over ill-prepared tutors) by the Gen-next students," he says. Meeting new, vibrant young people every year is a renewing experience for Vaidyanathan and he says that he finds the classroom diversity fascinating. In a class, he says, there are students with no less than 16 different mother tongues at any given time. Meanwhile, Vaidyanathan is gearing up for the launch of his book "*India Unincorporated*".

DEEPAK G. PAWAR



DEEPAK G. PAWAR



J. Ramachandran/ Business Strategy & Policy

The Strategy Don

ON IIM BANGALORE'S BANNERGHATTA ROAD CAMPUS, Professor J. Ramachandran isn't just loved and respected, but revered by his students. "I am passionate about what I do and I think this draws them to me," he reckons. A chartered accountant by education, it was his passion for teaching that pulled him out of industry (he was the Vice President of Management Services at Reliance Industries) into academia. "For me, teaching is a calling, not a job. I wake up every morning with a spring in my step and I work seven days a week," says the 48-year-old, who did a fellowship at the Indian Institute of Management Ahmedabad.

The fact that Ramachandran has extensive industry experience, adds tremendously to his classroom discussions. "In a single lecture, he once came up with 100 questions, all pertaining to the case we were studying," recalls Abhishek Rana, 22, a second-year student. Yet, Ramachandran isn't smug about his teaching skills. "The greatest challenge I face every day is to battle 65 great minds (the average size of his classes)," says Ramachandran. His ability to connect with his students ensures that many of them stay in touch with him even after they have graduated. "A lot of my buddies are my students," he says proudly. A much sought-after consultant, Ramachandran is currently writing a book on globalisation of companies from emerging markets.

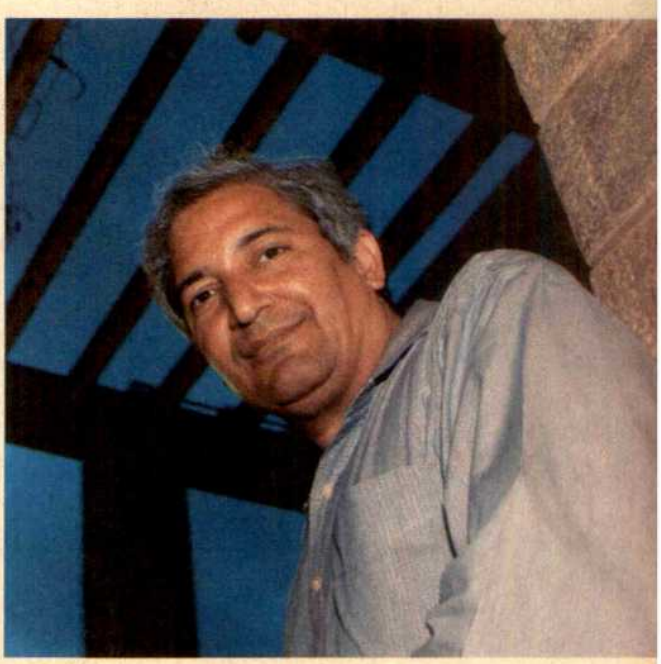
R. Narayanaswamy/ Finance and Control

To His Credit, Entirely

R. NARAYANASWAMY'S FIRST REACTION LAST YEAR ON being told that he had been selected by his students as one of the most popular professors, was one of shock and disbelief. "I thought at first it was another colleague of mine with a similar name, because usually all his bills come to me and all my cheques go to him," he says with a grin. Over the 20 years that he's been with IIM Bangalore, Professor Narayanaswamy has honed his sense of humour and the art of keeping his students engaged. He likes to think of the classroom as a market place for ideas that must be kept constantly stimulated. "The way I point out their mistakes, they are doubly happy to point out mine," he says.

One of the things that the 49-year-old professor, who worked with the Steel Authority of India before joining IIM-B, likes to do is to use case studies from stories that appear in business newspapers and magazines. That not only makes his discussions more topical, but also relevant. "Coming from an engineering background, I knew nothing about accountancy, but after the three-month course, I am no less than a CA when it comes to reading a financial statement," says Madhurjya Banerjee, 23, a sophomore. When not teaching, Narayanaswamy spends time on research. He is currently working on a paper (on adopting US GAAP in non-US markets) that is to be presented in China in July. Here's wishing him all the best.

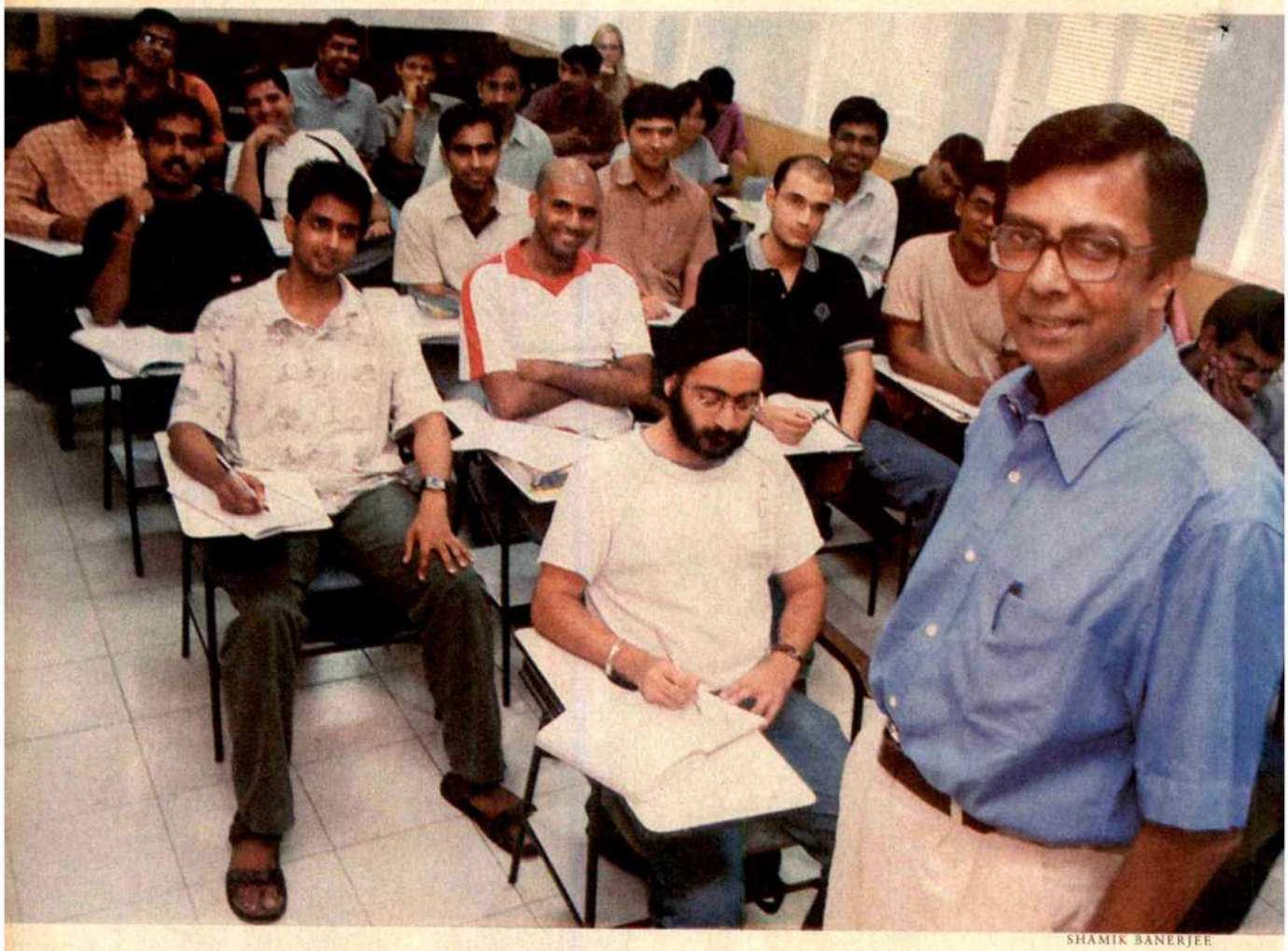
DEEPAK G. PAWAR



IIM-C

Amitava Bose/ Economics

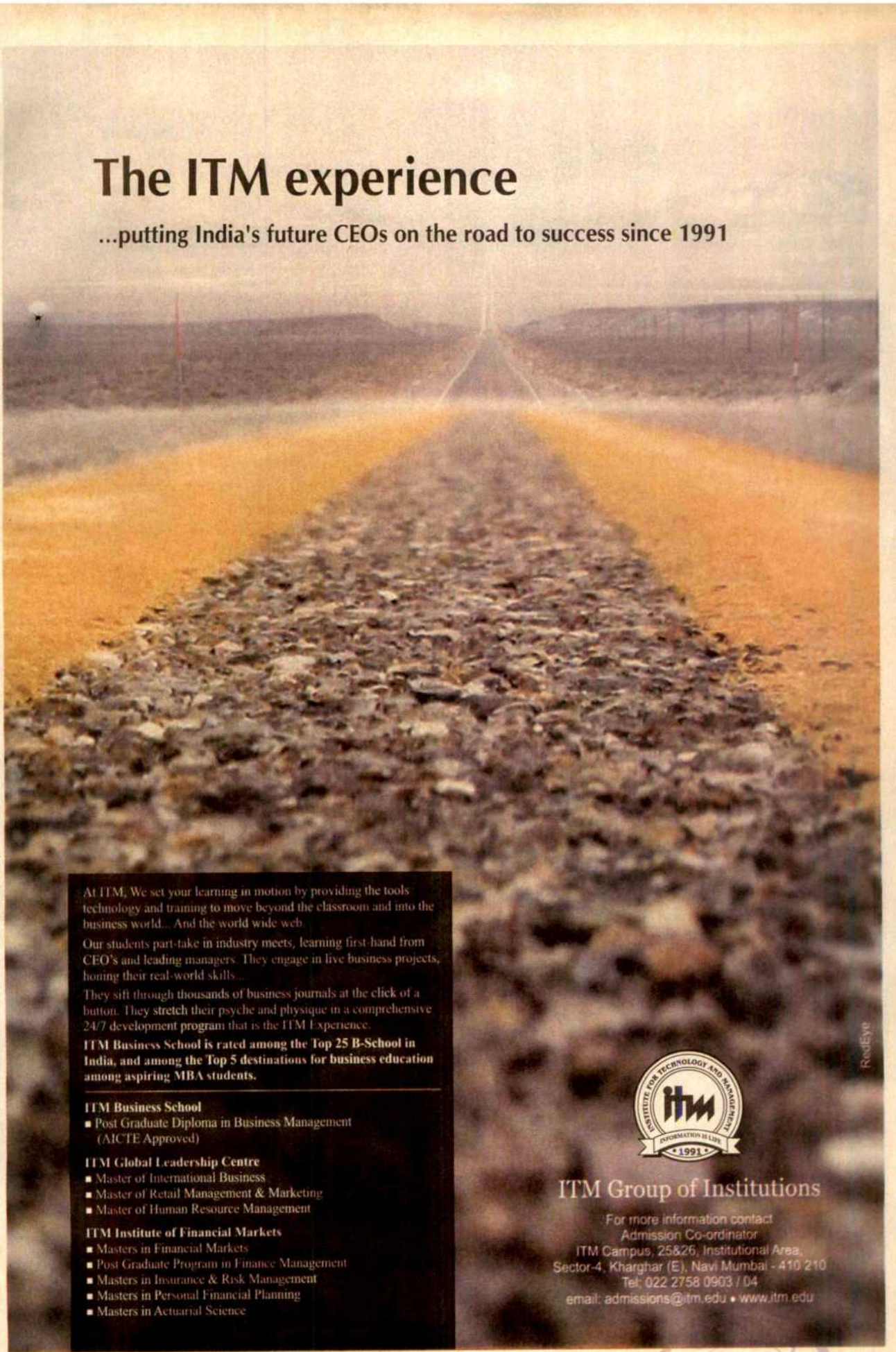
An Institution Builder



SHAMIK BANERJEE

PROFESSOR AMITAVA BOSE HAS BEEN TEACHING economics at IIM Calcutta longer than some of his students have been around on planet Earth. But the 59-year-old professor, despite his popularity, doesn't think he's perfect. "I haven't been able to connect with my students the way my own teachers at the Delhi School of Economics did. I wish I had more initiative," says Bose. As his students will tell you, Bose is being too self-critical. Some of his old students still drop by routinely, and the current batch thinks he's every bit the seasoned teacher. "He simplifies concepts and never gets irritated, and (learning) is a journey with him," says Joydeep Chakraborty, 22, a sophomore.

Bose was the director at IIM-C for five years until 2002, but he turned down a second term. "I was desperate to get back to research, since it gives me a lot of internal enrichment," says the PhD from the University of Rochester, who jumped at the opportunity to join the institute way back in 1974, happy to have found a job in his hometown. Since then, "my life has been intertwined with the development of IIM-C, particularly during my years as the director", says Bose. His research interests revolve around employment issues in India, besides which he has plans of writing a book on macro-economics. If the idea is to leave a mark, then Bose needn't bother. He's already a legend in Joka.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SHAMIK BANERJEE

Leena Chatterjee/ Organisational Behaviour

Joka's Jane Austen

OB, OR ORGANISATIONAL BEHAVIOUR, ISN'T SOMEthing MBA students tend to lose sleep over, simply because it is not considered 'hardcore' like strategy, marketing or finance. But Leena Chatterjee gets an eager class just the same. For, when Chatterjee is on the podium, the class turns into a theatre. Students have to make presentations based on various characters in novels and act out situations. "I bring in examples to everything I teach and use a lot of poetry and literature in my teachings," she says with a smile. Not surprisingly, Chatterjee likes to write for journals. She has two articles coming out in international journals later this year.

Chatterjee, 50, studied psychology at Lady Shri Ram College for Women (LSR) in Delhi and then did her doctorate from IIT Kanpur. Given her specialisation, Chatterjee is not only a teacher, but also a friend and mentor to many of her students. In fact, she knows each of them (about 260 in each batch) by their names. What inspired Chatterjee to join academia? Apparently, her "wonderful teachers" at LSR. Rejecting offers from companies after her graduation, Chatterjee came to IIM Calcutta 22 years ago to teach OB and hasn't thought of doing anything else since. "I believe in enjoying what I do," she says by way of explanation. "The biggest perk of the job is, of course, the wonderful interactions I have with young, intelligent people," she adds.

Rahul Mukerjee/ Operations Management

Open-door Tutor

OF THE NINE PROFESSORS PROFILED IN THIS STORY, Rahul Mukerjee was the only one who couldn't be reached. Not at all surprising, as we discovered. Go to Mukerjee's profile on IIM Calcutta's faculty page and you'll find the reason listed under 'hobby': International travel with special interest in western Europe and the Far East. Unfortunately for Mukerjee, the trip this time around wasn't to Western Europe (they are playing the soccer World Cup in Germany, after all), but merely Darjeeling. And since he doesn't believe in carrying a mobile phone, there was no way to reach him. But when he's on campus, Mukerjee maintains an open line. Students are free to call him or drop by at this office almost whenever they feel like. "He relates to us like a friend," says Joydeep Chakraborty, 22, who graduates next year.

Before joining IIM-C in 1989, Mukerjee taught at the Indian Statistical Institute in the city. A passionate statistician (he topped in both BSc and MSc, and has a PhD from the University of Calcutta), Mukerjee has also been a visiting faculty at the University of Michigan, Mathematical Sciences Research Institute (Berkeley), and Hiroshima University. Mukerjee, 50, has co-authored five books and more than 200 papers. "He is a professor whom students love a lot," quips Chakraborty. That's more than what a tutor can ask for.

SHAMIK BANERJEE

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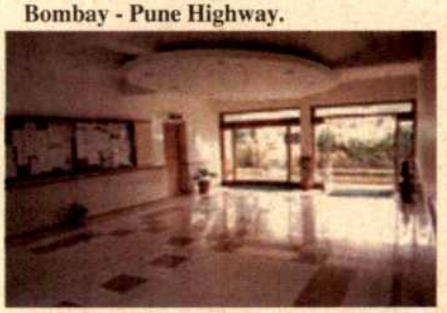

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- **strong industry and academic interactions** with lectures and even full courses offered by managers from the most admired companies, and by visiting professors from the world's best institutions;
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- **a warm, friendly culture** that nourishes an uncanny, yet admirable, blend of intellectual diversity and social cordiality leading to healthy relationships within a warm and caring environment; and
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Additionally, the programme emphasizes knowledge of industri business domains, and the development of soft skills. T accomplished through workshops on business communicatio presentation skills, behavioural adaptation techniques, dynamics and teamwork, negotiations and conflict resolution, management, cross-cultural transactions, and the teaching of f languages.

The programme has enjoyed rich relationships with TCS and I India. The former has offered full courses in the areas of Systen Information Technology and the latter in the area of Insurance an Management.

On the co-curricular front, many leading personalities have regularly invited to strengthen the programme's interactions industry, media, government and social sectors. The CEO-Co and MIST programmes are eagerly awaited by everyone i Institute. Some of the recent speakers under the auspices of the Connect programme include:

- Mr. B. Muthuraman, MD, TATA Steel
- Mr. C K Ranganathan, CEO, CavinKare
- Mr. Surinder Kapoor, Chairman and MD, Sona Koyo
- Mr. Abhay Gupte, MD, EDS India

Career and summer placements have been stupendous consid that the MBA programme is only into its fifth year. The companie brands for which our students have been offered career/sur placements include 3M, AMP Sanmar, Ashok Leyland, Asian P Avalon Consulting, Bajaj Allianz, Bajaj Auto, Bloomberg, Ca CavinKare, Citibank, Coca Cola India, Cognizant, Dabur, Eicher, Fr Sullivan, Genpact (formerly GECIS), Gillette, Godrej, Goo Nerolac, HAL, HCL Technologies, HDFC, Henkel India, H Honeywell, Hyundai, IBM, ICICI Bank, ICICI Infotech, ICICI Lom ICRA, IDBI, Indigo Futures, Ingersoll Rand, Infosys, JP Morgan Cl KSA Technopak, LIC of India, Ma Foi, Mind Tree, McKinsey Murugappa Group, Navia Markets, Nestle India, Ogilvy & Ma Oracle, Pantaloon, Philips Medical Systems, Power Finance C Price Waterhouse Coopers, Provogue, Punjab National Bank, Ra Systems, RBI, Saint-Gobain, Sara Lee, Satyam, Siemens, Stan Chartered, Sundaram Finance, Tata Motors, TCS, USA Technolo Verizon, Vertibrand, Wipro.

This year, the students earned foreign summer placements with g firms. The students work on challenging projects in all area management and across all domains/verticals.

The extra- and co-curricular activities involving quizzing, busi plan presentations, sports and cultural events provide a wholes experience to students, who also organize these regularly to dev real life managerial and people-handling skills.

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QED

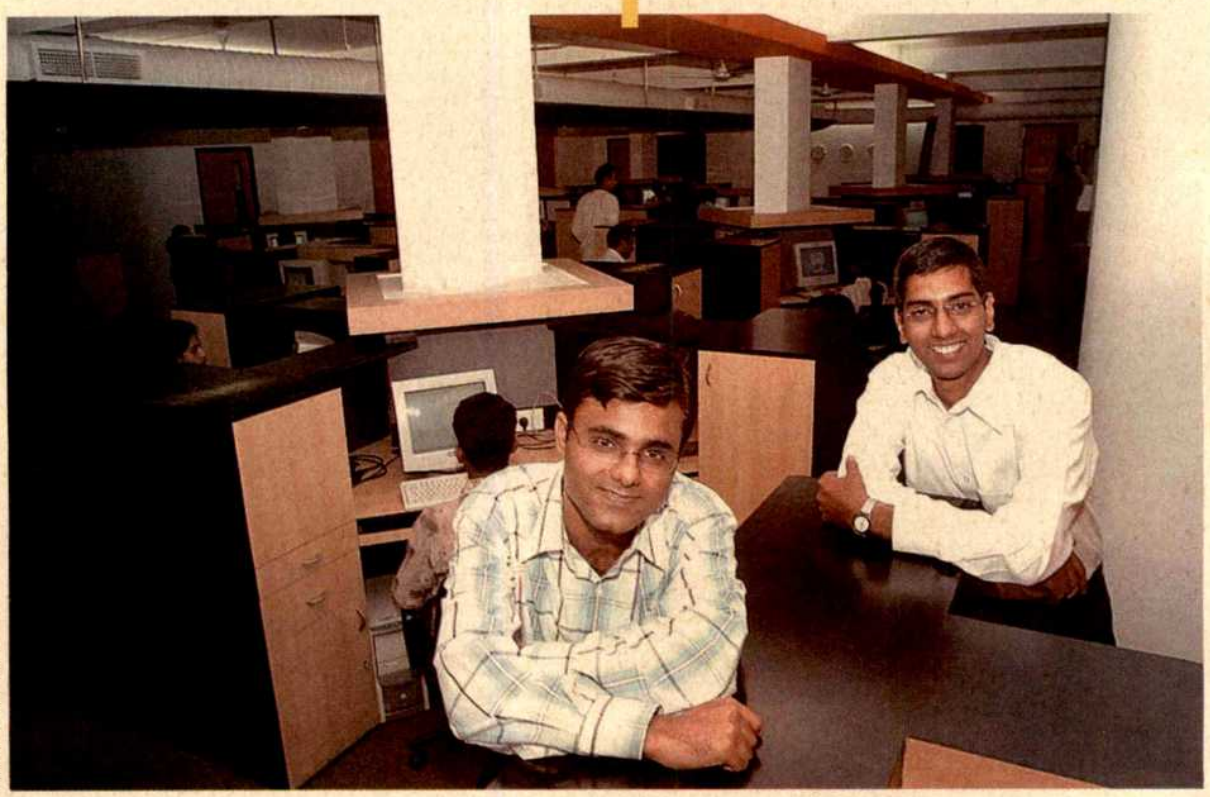
(Quiet Excellence Demonstrated)

Doing Their Own Thing

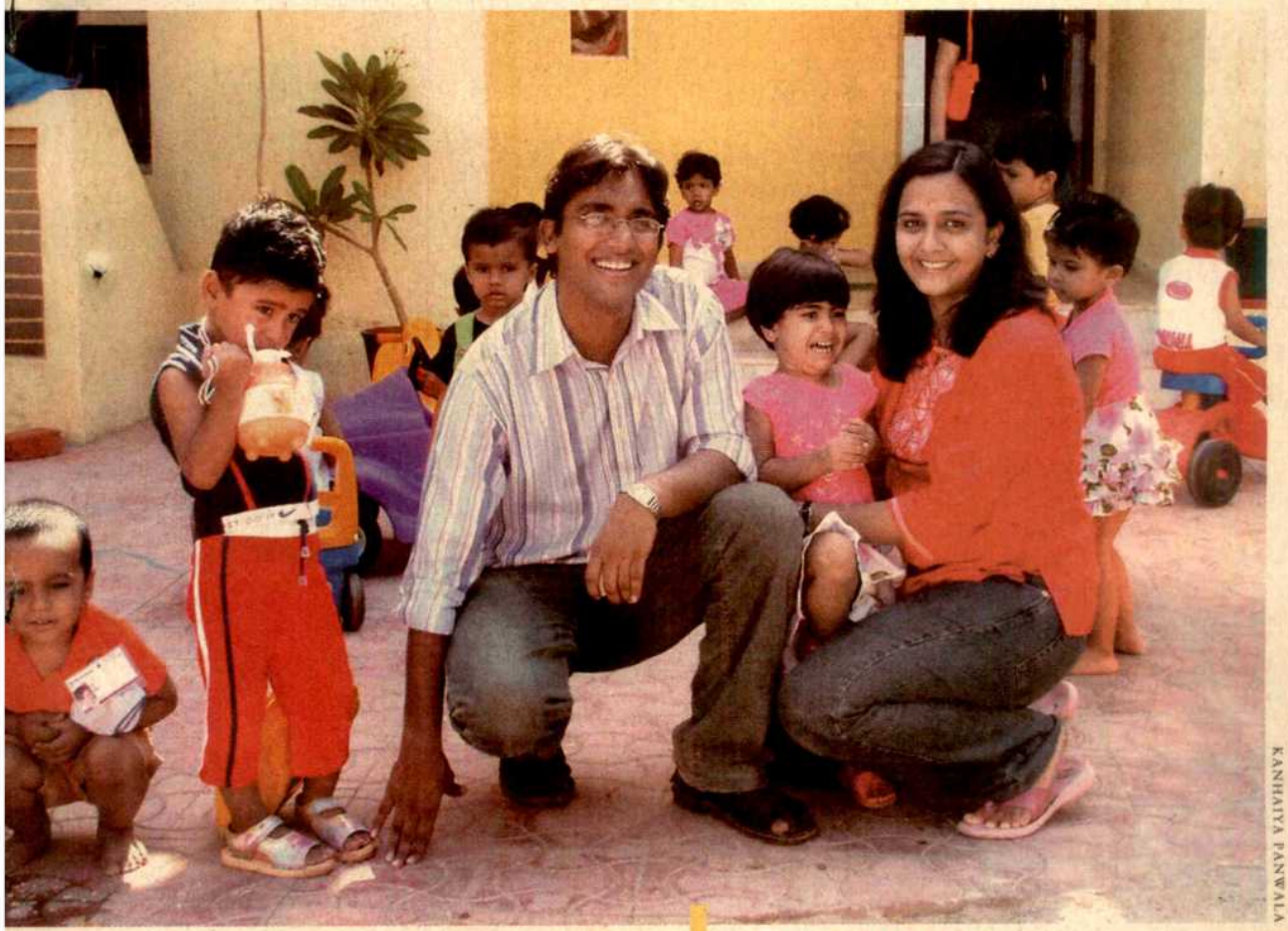
What kind of IIM grads do their own thing? And why? AMAN MALIK AND PALLAVI SRIVASTAVA speak to seven from recent batches who chose to be entrepreneurs to understand a still rare but growing phenomenon on campus.

THEY DIDN'T BAG THE HIGHEST DOLLAR-OFFERS this placement season, yet Satyajit Sadanand, a student of IIM-L who decided to go back home to Baroda and turn his football club, Providence, into what accountants would call a going concern, and Sarath Babu, a student of IIM-A who turned down an offer from a software company and the annual salary of Rs 8.5 lakh that went with it to start a catering business (including a canteen on campus), have made more headlines (and inside pages) than those that did. The phenomenon of IIM grads jumping onto the entrepreneurial bandwagon shouldn't surprise anyone. India is a nation of entrepreneurs, and the IIMs, goes one school of thought, prepare an individual to be an entrepreneur (another school of thought says that all they do is to give people enough perspective to be independent directors on the boards of companies). Yet, it isn't easy to opt out of the placements process, and just-shy-of-seven-figures Indian salaries or six-figure dollar ones. "Very few students want to take risks at the beginning of their career and

NAME: **Mohit Kataria (left) and Gururaj Potnis**
SCHOOL: **IIM Calcutta**
YEAR OF GRADUATION: 2003
BUSINESS VENTURE: Manthan Services (KPO)
HQ: Bangalore, Karnataka



DEEPK G. PAWAR



KANHAIYA PANWALA

NAME: Vardan and Ankita Kabra
SCHOOL: **IIM Ahmedabad**
YEAR OF GRADUATION: 2004
BUSINESS VENTURE: Fountainhead (a pre-school)
HQ: Surat, Gujarat

we teach them to go and learn the business in some established set-up before becoming entrepreneurs," says Sushil Kumar, a professor of Agri-business at IIM-L, explaining why few students opt to be entrepreneurs.

Deciding To Jump In

The IIMs, everyone knows, do not create entrepreneurs. No one minds (except the schools themselves on occasion; for instance, to redress this seeming lacuna, IIM-B founded a Centre of Entrepreneurship which was funded by Infosys' former Joint Managing Director N.S. Raghavan) because they create fine managers, probably the best of their kind in India. Most people who become entrepreneurs soon after finishing the two-year course at the IIMs were probably keen on doing so even before they secured admission to the schools. For instance, Mohit Kataria and Gururaj Potnis of IIM-C's Class of 2003—the duo co-founded Manthan Services, a KPO or knowledge process outsourcing firm—were keen on "doing something of their own" even when they were students at the Indian Institute of Technology, Delhi. "The atmosphere at IIT was very entrepreneurial," recalls Potnis, "but I did not have the skill sets to start an enterprise." Both made it to IIM-C, and revived their plans, but by the end of 2002 (during which they had prospected in Delhi and Bangalore), were no clearer. "We decided to play it safe and sit for placements," admits Potnis. They didn't: in early 2003, they met with brothers Anshuman and Rishi Das, IIT, Delhi and Rourkee alumni, respectively, and founded Erasmic Consulting, an 'in-sourcing' firm that helps multinationals put down offshore centres in India. The duo moved out six months later to found Manthan.

The story of Vardan Kabra is not very different. The Class of 2004 student from IIM-A was certain that he wanted to do his own thing when he was a student at IIT, Bombay. "I realised that I lacked business acumen," he says, proffering a reason for his decision to opt for a PGDBM from IIM-A. Kabra

and his wife Ankita, also a student of IIM-A's Class of 2004, run a pre-school in Surat. Indeed, it would appear that entrepreneurs are wired differently: Abhijit Chaudhuri, a Class of 2003 student from IIM-L, insists that even when he was a young boy, "I wanted to do something different." "I would often discuss becoming an entrepreneur (when I was at Ranchi's National Institute of Foundry and Forge Technology)," he adds. Chaudhuri runs GATE Forum, a company that helps students prepare for the Graduate Aptitude Test in Engineering (for admission to post graduate programmes at the IITs).

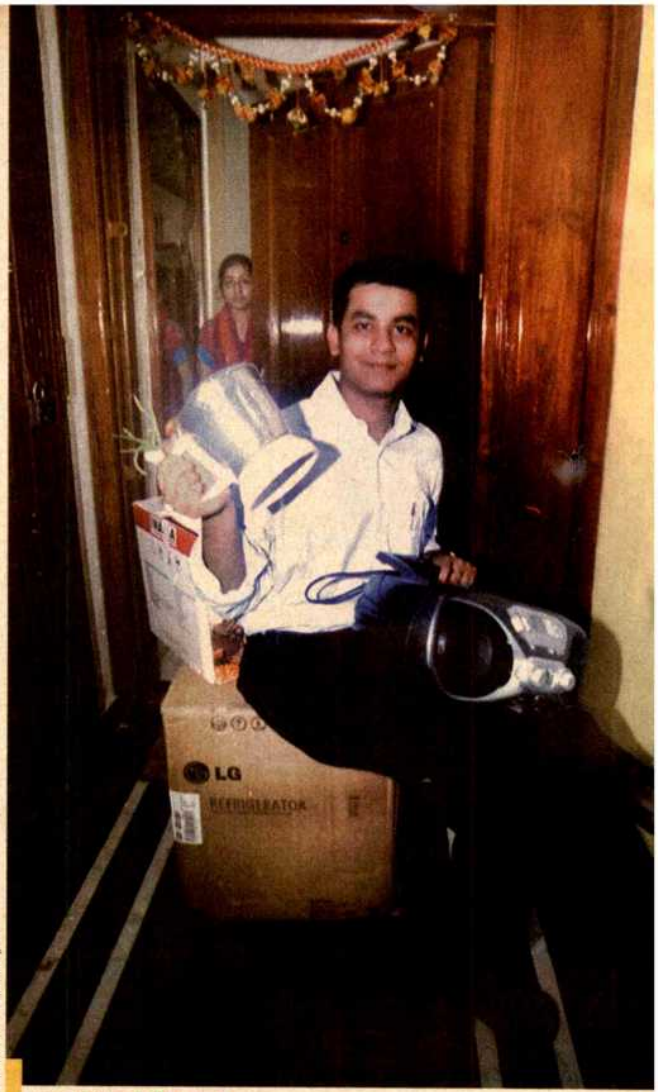
Every year, at the better business schools in the country, the graduating batch boasts several individuals who have entrepreneurial dreams. "There were 11 of us," recalls Ankita Kabra, of the informal group that would meet and discuss how they would become entrepreneurs after completing the course, "and our ideas ranged from launching a bookstore to starting an educational institution to even venturing into distribution". By February of 2004, though, placement season at IIM-A, things had changed. "Our group of 11 was down to three," says Arvind Kumar, also from the Class of 2004 at IIM-A (Kumar runs a small packaging firm called Easypack Solutions near Mumbai).

What's The Big Idea?

Potnis and Kataria are in the fairly-established (and lucrative) area of KPO. "We aim to be market leaders in the legal outsourcing space," says Kataria, who claims Manthan, which started with a team of 25, now employs 250. That can be said of several other entrepreneurs from the IIMs as well. However, a significant number do opt to try something new or unexpected (at least for someone from an IIM).

THE ROAD LESS TRAVELLED

- India has changed: starting-up is no longer considered infra dig
- The IIMs have changed: most run programmes on entrepreneurship
- The students have changed: their aspirations can't be met by regular jobs
- The environment has changed: venture capital, even risk capital, is available
- Mindsets towards failure have changed: India Inc. has no problems hiring failed entrepreneurs



SHAMIK BANERJEE

NAME: **Vikash Choraria**
SCHOOL: **IIM Lucknow**
YEAR OF GRADUATION: 2005
BUSINESS VENTURE: Value King (a distribution venture)
HQ: Kolkata, West Bengal

Chaudhuri's GATE Forum is the first of its kind; "We are India's only firm offering this kind of preparatory tools for GATE aspirants," says Chaudhuri. One wouldn't expect to find a pre-school being run by a couple of IIM-A grads, although it must be said that the Kabras, who are working towards launching a primary school, may be onto a good thing. "There is a lot of potential in the education space in cities such as Surat and we want to tap it," says Kabra. Nor would one expect to find an IIM-L graduate running a distribution venture. Vikash Choraria, from the Class of 2005, does just that with Value King, a company that seeks to deliver products (all kinds from perishables to personal care products to consumer durables) and services (think dry-cleaning, travel assistance, even car-washes) at the doorstep of customers, and at prices that are lower than prevailing market ones.

If one were to look at these ventures objectively

XAVIER INSTITUTE OF SOCIAL SERVICE, RANCHI

We are solution providers in Management Education, Research Analysis, Project Handling, Entrepreneurship Development and many more

Estd. 1955

XISS aims at being a Top Management School Developing Committed, Down to Earth, Sensitive Professionals who work with and for others

XISS wants to extend itself as a Lead Agency for the NGOs in Capacity Building, Sustainable Development, Research and Consultancy

Research & Consultancy

- Empanelled Institute for MORD, World Bank, Unicef, SAIL & Other PSUs / Corporate Sectors Sponsored Impact Study
- Experience of 27 years
- Participatory Research and Logistic framework Analysis

Develoment Resource Center

→ **Provides :** Integrated Rural Development Programme, Tribal Development Programme, Watershed Management, RCH Programmes, NGO Management, Microcredit SHG Manegement Project Management, Customised Training for Social Development Programmes.

Entrepreneurship Development Programme

→ **Provides :** Business Development Programme, Self Employment Programmes for Rural Youth, Micro Enterprize Development through Micro Credit

Management Development Programmes

→ **Conducts :** *Training Programmes for Middle and Senior Managers on* : Current Issue related to the Corporate and NGOs, *Short Training Programmes on* : Office Automation, IT Awareness, MIS, HRM and HRD

Faculty of Post Graduate Programmes

→ **Conducts** two year Full-Time Post Graduate Pgorgrammes (Equivalent to MBA) for Graduate of any Discipline in : Personnel Management, Rural Management, Information Management, Finance & Marketing

Tribal Handicraft and Marketing Cell

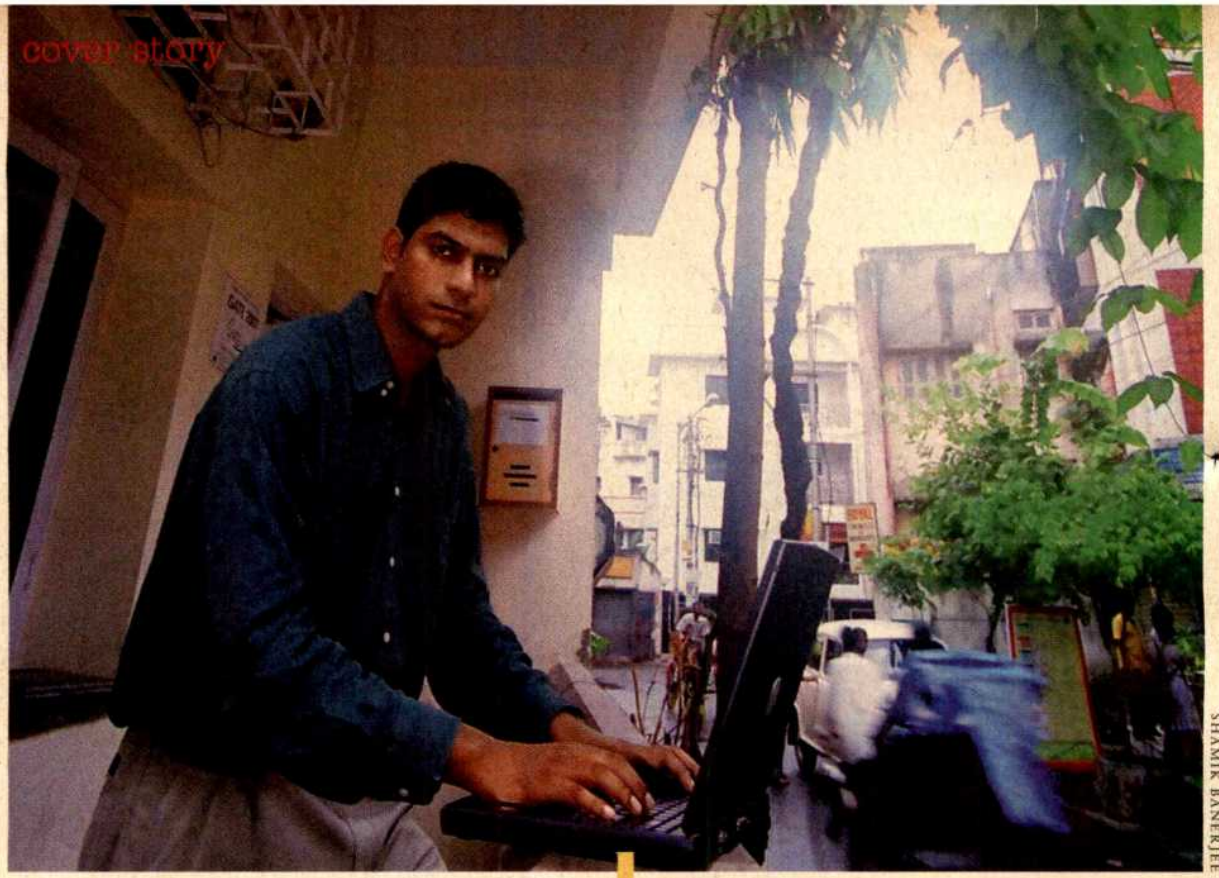
Registered under Co-operative Society to Facilitate Networking between Production and Marketing also Recognised by the Central State Governments to implement Baba Saheb Ambedkar Hast Shilpa Vikash Yojna

Research & Publication

Since the year 2002, a thematic Quarterly Research Journal entitled "Jharkhand Journal of Development and Management Studies" (JJDMS) is being published with the prime objective to publish research articles on Development and Management at Global and Local perspectives. It also publishes Case Studies, Current Issues, Executive Experience and Research Projects.

A Centre for Excellence, with traditional technical strength & modern management philosophy, imparting value-driven Management Education to serve the Society

Ridge/06-07



SHAMIK BANERJEE

NAME: **Abhijit Chaudhuri**
SCHOOL: **IIM Lucknow**
YEAR OF GRADUATION: 2003
BUSINESS VENTURE: GATE Forum (a coaching institute)
HQ: Bangalore, Karnataka

(this is, after all, a business magazine), some look good, others reasonably good, and not-so-scalable, and still others... (well, let's leave it at that, shall we?). Arvind Kumar says he hit upon the packaging idea in desperation as he was "running out of time". "My margins are high," he adds, but admits that "I use pretty elementary technology and can, therefore, operate only at the local level." It is likely that some of the ventures featured on these pages will fold up, as indeed most first entrepreneurial initiatives do. The very fact that they have been through an IIM, however, gives these entrepreneurs a safety net; industry should snap them up, failed attempt at being an entrepreneur and all (some companies may actually consider this experience worth paying a premium for). At the peak of the dotcom boom, Lokendra Tomar, a Class of 2000 student from IIM-L founded coolavenues.com, a community site targeted at B-school students and aspirant-MBAs. It floundered but had managed to survive, building a significant brand salience among MBAs. Tomar, however, had no difficulty in finding a job and is currentlyVice President (Delivery Knowledge Services), Integreon. Says Santrupt Mishra, VP, Aditya Birla Group, "As long as one can justify his decision first not to partake in the placement process and then wrap his enterprise up and take up a full-time job, any employer would be happy to have him on board." That's the beauty of being an IIM-entrepreneur. Even if your company doesn't really take off, you end up a winner. Twice over. ■

NAME: **Arvind Kumar**
SCHOOL: **IIM Ahmedabad**
YEAR OF GRADUATION : 2004
BUSINESS VENTURE: Easypack Solutions (a packaging firm)
HQ: Vasai (near Mumbai), Maharashtra

SOUMIK KAR

GOA INSTITUTE OF MANAGEMENT

Developing Competence, Building Commitment

ADMISSION NOTICE

Postgraduate Programme in Business Management
2007-2009 Two Year MBA Level Residential Programme

INSTITUTE

Consistently ranked amongst the top 20 business schools in the country. A nonprofit institution. Established in 1993. Programme approved by AICTE. Consistent 100% campus placement record. Student exchange programmes with Universities in Belgium, Germany and Portugal.

INFRASTRUCTURE

Fully wired campus. All students with laptop computers. Full time faculty from academia and industry. Access to databases like EBSCO, Proquest, CMIE & Capitaline. Library has a select collection of over 10,000 management books.

ELIGIBILTY

Minimum 50% aggregate marks in a three-year Bachelor's Degree (or equivalent) recognized by Association of Indian Universities (AIU) or the AICTE.

APPLICATION PROCEDURE

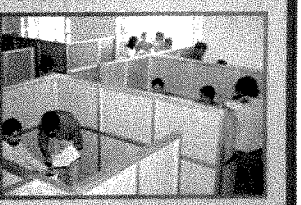
Candidates seeking admission to GIM are required to take the XLRI Admissions Test (XAT) 2007. You can register for XAT at http://www.xlri.edu and then register for GIM at http://www.gim.ac.in.

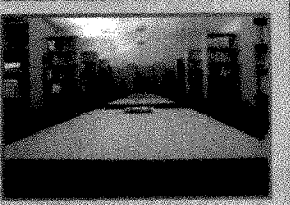
GIM application charges: Rs 1000/-

GIM interview centres:
Bangalore, Delhi, Kolkata, Mumbai & Goa

IMPORTANT DATES

Registration for GIM begins: 1st September 2006
Registration for GIM ends: 31st December 2006





GOA INSTITUTE OF MANAGEMENT
Ribandar, Goa 403006, India
Tel.: 0832-2490304, 2444638, 2444819-20
Fax: 0832-2444136
Email: admissions@gim.ac.in Website: http://www.gim.ac.in

Magnum Integrafiks

CAMPUS COOL

IIM AHMEDABAD

The most popular...

Buzzwords: Day Zero, Arbit (high-sounding, meaningless talk), **'Tuchchadom'** (the status of being a sophomore), I-school (top performing students who get industry scholarships), **Night Out** (staying awake all night to finish some assignment)

Hang-outs: CT, that is **Café TANSTAFL** (There Aint No Such Thing As A Free Lunch), LKP lawns, Café Coffee Day

Sports: Cricket, **Football,** Tennis, Frisbee, **Badminton**

Food: **Pizza,** Mess menu (!), Gujarati food

Gadgets: iPods, **Mobile phones,** Laptops

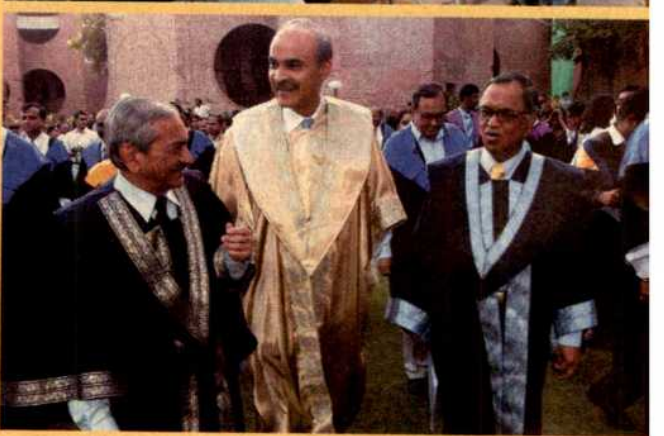
Pastime: Spending hours on **Dbab,** IIM-A's internal messaging system, Sleeping, Watching movies

Excuse for bunking: None, only real reasons (Gosh, these guys are serious)

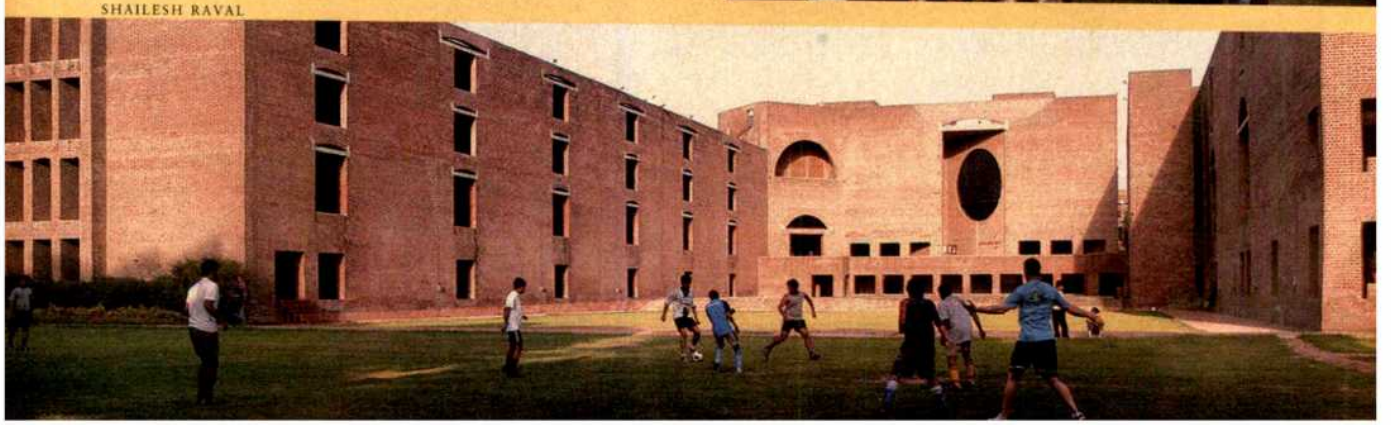
Employers: **McKinsey & Co.,** Barclays Capital, The Boston Consulting Group, Lehman Brothers, Merrill Lynch

Business idols: Jack Welch, Michael Dell, **N.R. Narayana Murthy,** L.N. Mittal, Warren Buffett

Management gurus: C.K. Prahalad, **Michael Porter,** Philip Crosby



SHAILESH RAVAL



What's in vogue on India's hot B-school campuses? Here's a peep into five of them: IIM-A, B, C, L & XLRI. AMIT MUKHERJEE

IIM BANGALORE

The most popular...

Buzzwords: **RG (relative grading).** You are RGed when you are marked in comparison to others. Globe (to talk about anything under the sun), Arbit (meaningless talk)

Hang-out: **Athicas,** a food joint nearby

Sports: **Sepak**, almost a religion at IIM-B, is usually played with three players on each side (six at IIM-B, though), using any part of the body except hands

Food: Mess fare, anything spicy, **Maggi**

Gadgets: Laptops, Digicams, **iPods**

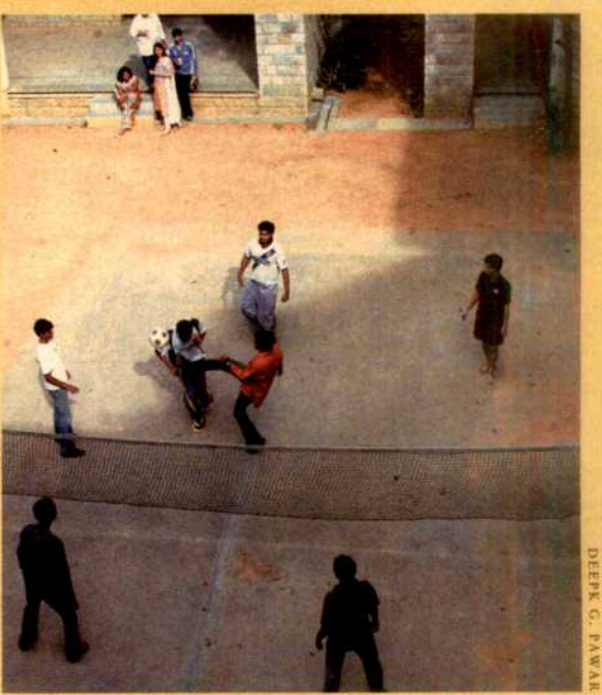
Pastime: Bracketing (the internal messenger), **Net Surfing**

Excuse for bunking: None required, but real reasons could be overslept or stayed up late

Employers: The Boston Consulting Group, **Goldman Sachs,** Hindustan Lever Ltd

Business idols: N.R. Narayana Murthy, **Steve Jobs**

Management gurus: Michael Porter, **Thomas Friedman,** Jack Trout, Stephen Covey



DEEPK G. PAWAR

SHAMIK BANERJEE

IIM CALCUTTA

The most popular...

Buzzwords: **Sunk Cost** (as in bad investment), Fundoo (brilliant, hip)

Hang-outs: New restaurant on Park Street, **Mamma Mia** in Alipore, the newly-constructed jetty right next to the hostel

Sports: Badminton, **Footer Volley** (a volley ball like game, but played without using hands, usually feet and head)

Food: **Dosas** and sandwiches at the café at the academic block

Gadgets: PCs, **iPods**

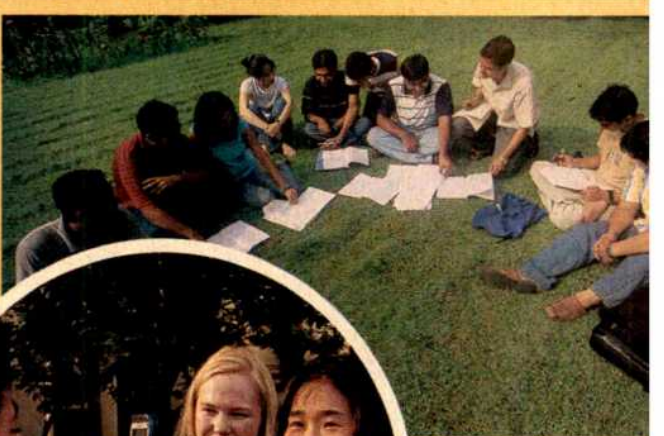
Pastime: Discussions on **Bakar**, IIM-C's internal communication system, Playing, Reading

Excuse for bunking: Overslept, **Night-outs**

Employers: Lehman Brothers, Goldman Sachs, Merrill Lynch, **UBS,** McKinsey, The Boston Consulting Group

Business idols: J.R.D. Tata, **Chandrakant Sampat** (Mumbai-based investor, often called the Warren Buffett of India), N.R. Narayana Murthy, Ratan Tata

Management gurus: Philip Kotler, C.K. Prahalad, Michael Porter, **Sumantra Ghoshal,** Peter Drucker



Asian School of Business

The latest addition to South India's knowledge hub destined to be one of India's leading Business Schools

The latest and a prestigious addition to the knowledge hub of South India is Asian School of Business (ASB) at Technopark, Trivandrum, promoted with the vision of "creating competent and caring management professionals with the passion to lead."

The winning differentiators of ASB are the outstanding faculty, cutting-edge curriculum, a Board whose collective wisdom few, if any, Business Schools can match and, most of all, a driving passion to get everything right.

Exceptional faculty

ASB has been able to assemble an exceptional faculty, the key strength of any Business School, when you consider that it is just into its second academic year. The greatest advantage of ASB is that, they have the option to pick and choose the most appropriate faculty from within and outside the country for each core subject. A visit to the School site, www.asb.edu.in does validate this point.

Well-designed curriculum

What is equally important is that the curriculum of the School has been designed by management teachers and practising professionals with extensive experience. The academic programmes of the School are being led by Prof. M.N.V. Nair, who was the first Dean at IIM-(B) and Prof. S. Jagadish, the Director of ASB, who spent over 30 years as a senior member of the Faculty at IIM-(B).

According to Prof. Rajeev Srinivasan (IIT-(M), MS-Syracuse, MBA-Stanford) of ASB, who also teaches at IIM-(B), "the curriculum content that ASB offers is world-class."

Impeccable credentials

ASB is actively guided and governed by a group of outstanding professionals with impeccable credentials. The Board is chaired by Mr. S. Ramadorai, CEO of India's biggest IT company (TCS). Other members are Mr. S. Gopalakrishnan, Co-founder, Dy. MD and COO, Infosys Technologies Ltd; Prof. Prakash G. Apte, Director of IIM Bangalore; Prof. Samuel Paul, former Director, IIM (A); Mr. Arun M. Kumar, Partner, KPMG, USA; Mr. Raj Nair, Chairman, Avalon Consulting; Prof. M.R. Rao, Dean, Indian School of Business, Hyderabad; Prof. M.N.V. Nair; Mr. George M. Thomas; Prof. S. Jagadish and Mr. G. Vijaya Raghavan, former CEO, Technopark.

Courses to create professionals the industry needs most

The two-year full-time Post Graduate Programme in Management (PGPM) is the flagship course of ASB which provides a firm general management foundation as good as the best management education in this part of the world. In addition to the core full-time facilities, practicing professionals and academicians from leading institutions in India and USA have delivered courses and offered seminars.

Currently, the first batch of 30 students is undergoing the industry internship, at the end of first year of the two year full-time PGPM. For this batch, there has been 100 per cent paid internship with leading national and multinational companies in India and abroad, a rare honour for a management school.

The first batch was selected on the basis of a test (similar to the Common Admission Test of IIMs), Group Discussion (GD) and Personal Interview (PI). For 2006-08 full-time PGPM batch, academic excellence and aptitude for a management career will be the prime consideration.

Currently, the School is functioning from a centrally air-conditioned facility within Technopark. The School has acquired close to 20 acres of land on the outskirts of the city to accommodate academic blocks, hostels and other support services. By end 2007 this facility will be commissioned.

Looking ahead, Mr. George Thomas, the prime patron, said "the goal is that ASB should evolve itself into one of the finest Business Schools in this region and should be on top of the mind of prospective students/ executives looking for quality management education."

100% paid industry internship in India and abroad for the first batch

Applications are invited for admission to the two year full-time PGPM 2006-08

For admission details please contact: Tel: 0471 5579001/2 Email: wilma@asb.edu.in www.asb.edu.in

IIM LUCKNOW

The most popular...

Buzzword: **Globe** (to talk about anything and everything under the sun)

Hang-outs: Nescafe on the campus, **Ganj in the city**

Sports: Football, Cricket, **Cyber Games** (*Age of Empires* and *Need for Speed* are all the rage)

Food: **Lucknawi kebabs,** Nescafe with noodles

Gadgets: iPods, **Digital Cameras**

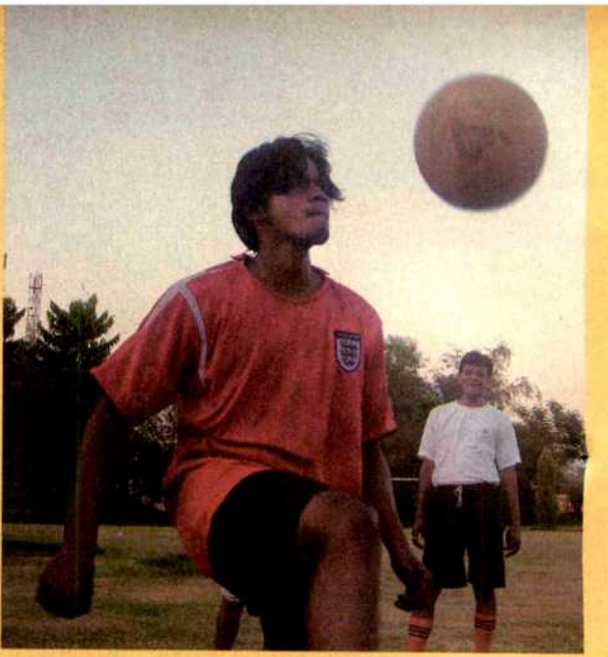
Pastime: **Net Surfing,** Chit Chatting

Excuse for bunking: Fever, Upset Tummy

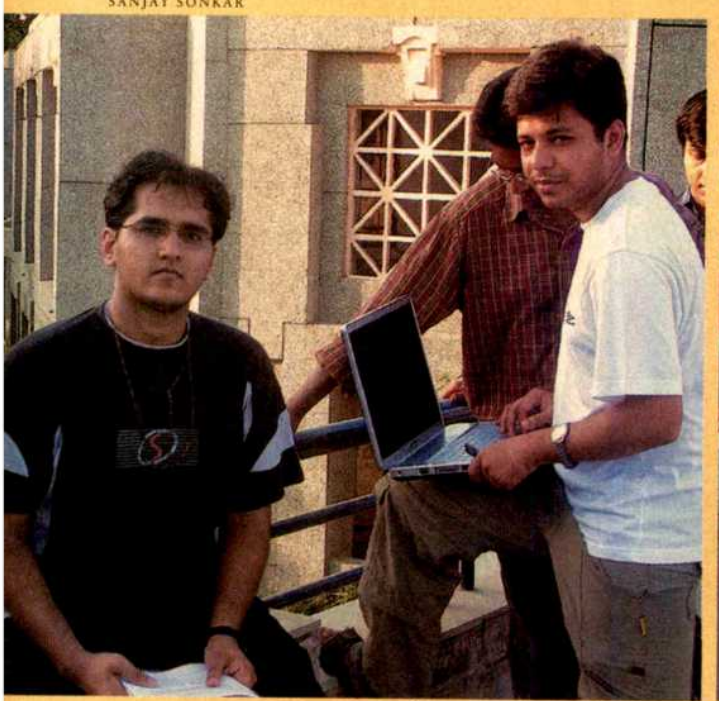
Employers: McKinsey, Ernst & Young, Hindustan Lever Ltd, **Procter & Gamble**, HSBC, Goldman Sachs

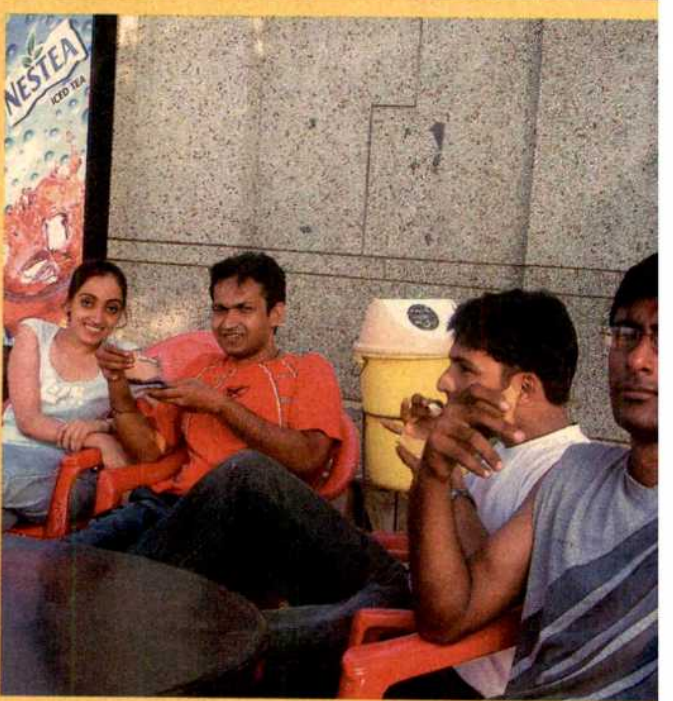
Business idols: N.R. Narayana Murthy, Michael Dell, **Kiran Mazumdar-Shah**

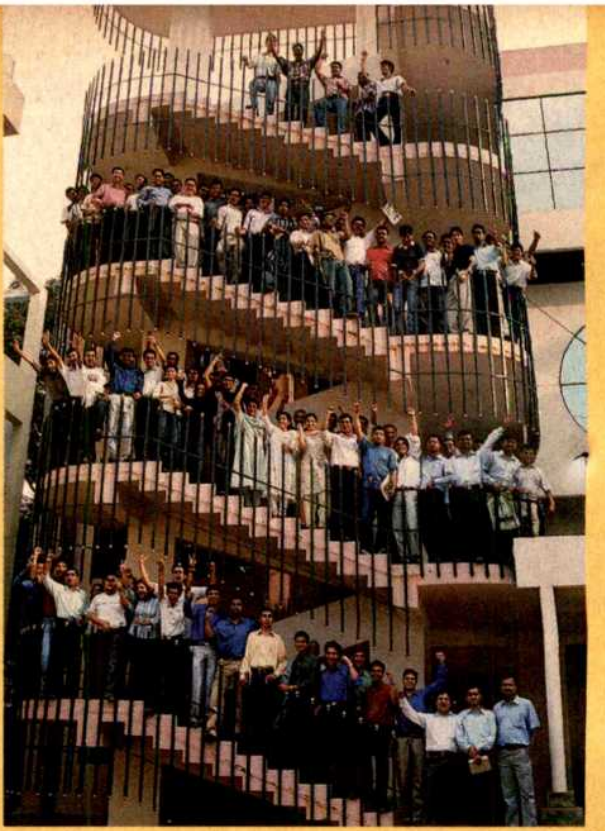
Management gurus: C.K. Prahalad, **Michael Porter,** Philip Kotler



SANJAY SONKAR







XLRI JAMSHEDPUR

The most popular...

Buzzwords: **Grax** (Gossips and rumours at XLRI), Omaxie (the Old Monk Association of XLRI; the aged object being rum), XL (an omnipresent prefix or suffix to every new coinage on the campus)

Hang-outs: NLH (the New Ladies Hostel), **JLT** (it means just like that, but is actually the lawn at the centre of the institute)

Sport: **Frisball** (a sort of frizbee, but played with a ball)

Food: Breakfast at the Regent Hotel in Bishtupur

Gadget: Laptops

Pastime: Graxing, or discussing **juicy stuff** and scandalous rumours

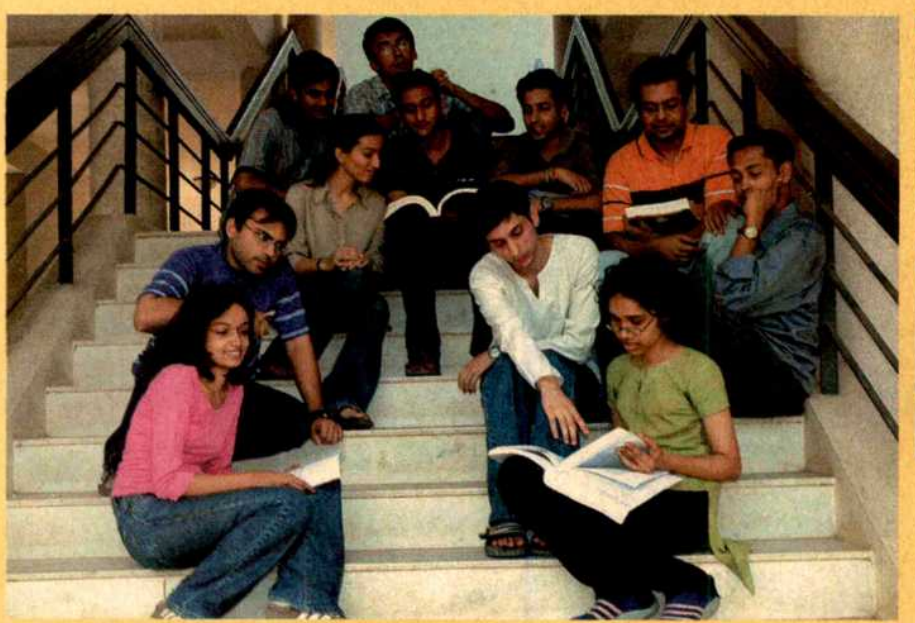
Excuse for bunking: **Wetnite** (A typical late night party at XLRI that, for obvious reasons, leaves you quite incapable of attending the morning classes)

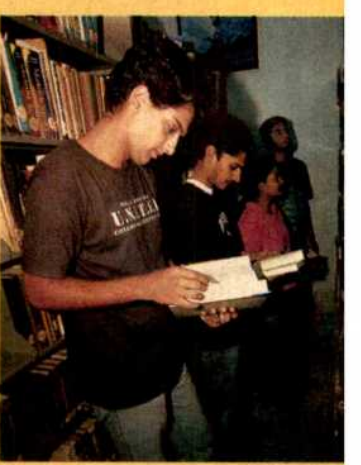
Employers: McKinsey, **Ernst & Young,** Asian Paints

Business idols: J.R.D. Tata, B. Muthuraman, **Azim Premji,** Subir Raha

Management gurus: **James MacGregor Burns,** Robert Cialdini, Venkat Krishnan (Professor of Organisational Behaviour at XLRI)

SHAMIK BANERJEE





The B-school Fact Sheet

A data sheet on the B-schools that comprise the universe of our survey.

A

Alliance Business Academy
Bangalore

SPECIALISATION: Marketing, Finance, Human Resources Management (HRM) and Systems

ADMISSION PROCEDURE: CAT/ MAT/ XAT, Alliance admission test, presentation and interview

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:6

AVERAGE ANNUAL SALARY: Rs 7.05 lakh domestic; $66,000 international

BIGGEST RECRUITER: Oracle Corporation, HSBC

STAR RECRUITER: N.A.

STUDENT PROFILE: Male:Female (5:3); Engineer:Non-engineer (3:2); With work-experience:Fresher (1:3)

STAR ALUMNI: Venkatesha B.K., Business Development Exec., Quintegra Solutions; Reshmi D. Gupta, Sr Client Manager, Watson Wyatt India

QUOTE: VENKATESHA B.K., Business Development Executive, Qunitegra Solutions:

"Alliance has moulded me into a global manager capable of taking up challenges anywhere, anytime and emerge a winner every time"

B

B.K. School of Business Management
Ahmedabad

SPECIALISATION: Marketing, Finance and HRM

ADMISSION PROCEDURE: Gujarat Common Entrance Test, group discussion (GD) and interview

SIZE OF THE CLASS: 60

FACULTY STUDENT RATIO: 1:20

AVERAGE ANNUAL SALARY: Rs 4 lakh domestic; N.A. international

BIGGEST RECRUITER: ICICI Bank

STAR RECRUITER: Tata Consultancy Services

STUDENT PROFILE: Male:Female (3:1); Engineer:Non-engineer (7:5); With work experience:Fresher (1:11)

STAR ALUMNI: N.A.

QUOTE: N.A.

Badruka College Post Graduate Centre
Hyderabad

SPECIALISATION: Marketing, Finance, HRM, Systems

ADMISSION PROCEDURE: ICET, GD and interview.

SIZE OF THE CLASS: 60

FACULTY STUDENT RATIO: 1:15

AVERAGE ANNUAL SALARY: Rs 3 lakh domestic; nil international

BIGGEST RECRUITER: ICICI Bank

STAR RECRUITER: ICICI Bank

STUDENT PROFILE: Male:Female (1:1); Engineer:Non-engineer (1:3); With work experience:Fresher (1:9)

STAR ALUMNI: Senthil Jyothi Prakasham, Sr Business Development Manager, Oracle; Nikhil Shaw, Manager, Dr Reddy's Laboratories; Jagannath Gidugu, Manager, Hutchison Telecom; D. Sathyanarayana, Asst Commercial Manager, Indian Railways; Mallela Gopinath, Project Manager (ERP), Satyam Computers, UK; B. Srinivas, Senior Consultant, Andhra Pradesh Industrial and Technical Consultancy Organisation Ltd (APITCO).

QUOTE: B. SRINIVAS, Senior Consultant, APITCO:

"Badruka helped me develop a strong foundation in management by sharpening my understanding of concepts and fine-tuning my soft skills"

Bharathidasan Institute of Management (BIM),
Tiruchirapalli

SPECIALISATION: Marketing, Finance, Operations, Systems and HRM

DEEPAK G. PAWAR

ADMISSION PROCEDURE: CAT score; GD and interview

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:6

AVERAGE ANNUAL SALARY: Rs 6.03 lakh (domestic); N.A. international

BIGGEST RECRUITER: Infosys Technologies Ltd, Cognizant Technology Solutions, Tata Consultancy Services, ICICI Bank

STAR RECRUITER: Infosys Technologies

STUDENT PROFILE: Male:Female (7:3); Engineer:Non-engineer (5:1); With work experience:Fresher (1:4)

STAR ALUMNI: V. Raja Shanmugam, Vice President (VP), MindTree Consulting, Bangalore; T.R. Ramachandran, Business Manager (Cards), Citibank, Chennai; Velavan Subramaniam, Director (South Asia), ACNielsen BASES, Mumbai

QUOTE: VELAVAN SUBRAMANIAM, Director (South Asia), ACNielsen BASES, Mumbai:

"I have pleasant memories of BIM. In addition to theoretical knowledge, we also got a lot of industry exposure through guest lectures, field visits and live projects. We had a fantastic peer group that made learning and living on campus competitive and fun"

Birla Institute of Management Technology (BIMTECH)

Greater Noida

SPECIALISATION: Marketing, Finance, HRM, Information Technology (IT), Operations, Rural Business, International Business, Retail Management, Insurance and Risk Management

ADMISSION PROCEDURE: CAT score, GD and interview

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:6

AVERAGE ANNUAL SALARY: Rs 3.75 lakh domestic; N.A. international

BIGGEST RECRUITER: AFL

STAR RECRUITER: HCL Technologies

STUDENT PROFILE: Male:Female (57:43); Engineer:Non-engineer (41:59); With work experience:Fresher (17:33)

STAR ALUMNI: Alok Gupta, Managing Director (MD), Samtech InfoNet; Ashish Masand, VP, TIBCO Software; Sandeep Sehgal, Head (AC Division-North India), LG Electronics Ltd

QUOTE: ALOK GUPTA, MD, Samtech InfoNet Ltd:

"BIMTECH is more of a community, where ordinary people become extraordinary. Life at BIMTECH was a blend of modern business education along with rich values inculcated to produce leaders and entrepreneurs of tomorrow"

Chaitanya Bharathi Institute of Technology (CBIT)

Hyderabad

SPECIALISATION: Finance, Marketing and HRM

ADMISSION PROCEDURE: ICET rank

SIZE OF CLASS: 60

FACULTY STUDENT RATIO: 1:13

AVERAGE ANNUAL SALARY: Rs 2 lakh domestic; N.A. international

BIGGEST RECRUITER: N.A.

STAR RECRUITER: Karvy Consultancy Ltd, ICICI Bank

STUDENT PROFILE: Male:Female (2:1); Engineer:Non-engineer (1:4); With work experience:Fresher (1:4)

STAR ALUMNI: N.A.

QUOTE: N.A.

Christ College Institute of Management

Bangalore

DEEPAK G. PAWAR

SPECIALISATION: Marketing, Finance, HRM and Systems

ADMISSION PROCEDURE: MAT, group task and interview

SIZE OF CLASS: 59

FACULTY STUDENT RATIO: 1:8

AVERAGE PLACEMENT SALARY: Rs 3.4 lakh domestic;

N.A. international

BIGGEST RECRUITER: Satyam Computer

STAR RECRUITER: CB Richard Ellis

STUDENT PROFILE: Male:Female (3:1); Engineer:Non-engineer (1:2); With work experience:Fresher (1:11)

STAR ALUMNI: Vipul Kapoor, Asst. VP, Citi Financials

QUOTE: N.A.

D

Department of Management Studies, IIT
Delhi

SPECIALISATION: Management Systems, Telecommunications Systems Management, IT, Finance and Marketing

ADMISSION PROCEDURE: JMET rank, GD and interview

SIZE OF THE CLASS: 75

FACULTY STUDENT RATIO: 1:5

AVERAGE ANNUAL SALARY: Rs 7.44 lakh domestic; $70,000 international

BIGGEST RECRUITER: IBM Global Services, Citibank

STAR RECRUITER: Ernst & Young, IBM Global Services, Citibank

STUDENT PROFILE: Male:Female (11:3); Engineers:Non-engineers (6:1); With work experience:Fresher (15:13)

STAR ALUMNI: Simar D. Singh, VP & Transition Lead (Operations, Tech. & eCommerce), Wachovia-Genpact Relationship, Genpact

QUOTE: SIMAR D. SINGH, VP & Transition Lead, Wachovia-Genpact Relationship, Genpact:

"There are so many things that make IIT a special place. The IIT brand name, stringent control in making sure that only people who make the cut get admissions. It was a unique experience—enriching, fulfilling, enlightening and fun. During my term we did 14 live projects in various corporations, one of which hired me"

F

Faculty of Management Studies (FMS)
University of Delhi, Delhi

SPECIALISATION: Marketing, Finance, Systems & Operations and HR

ADMISSION PROCEDURE: Entrance test, GD and interview

SIZE OF THE CLASS: 90

FACULTY STUDENT RATIO: 1:5

AVERAGE ANNUAL SALARY: Rs. 8.9 lakh domestic; $62,500 international

BIGGEST RECRUITER: Standard Chartered Bank, Infosys

STAR RECRUITER: HSBC, Olam International

STUDENT PROFILE: Male:Female (3:1); Engineer:Non-engineer (73:27); With work experience:Fresher (51:49)

STAR ALUMNI: Anuj Khanna, Executive Director (ED), UBS, Singapore; Ashok Bhasin, Director (Brand Strategy), Whirlpool, US; Dalip Sehgal, Director (New Ventures), HLL; Gokul Laoria, Managing Director (M&As), Morgan Stanley; Manoj Vaish, CEO, Dun & Bradstreet India; Munish Dayal, President (Business Banking), YES Bank; Neelam Dhawan, MD, Microsoft India; Raghav Behl, MD, CNBC India; Ramesh Sobti, CEO, ABN AMRO India; Ramni Narula, ED, ICICI Bank

QUOTE: N.A.

G

Goa Institute of Management
Goa

SPECIALISATION: Finance, General Management, Marketing, Operations, Organisational Behaviour, HRM and Systems

ADMISSION PROCEDURE: XLRI Admissions Test (XAT), GD and interview

SIZE OF THE CLASS: 104

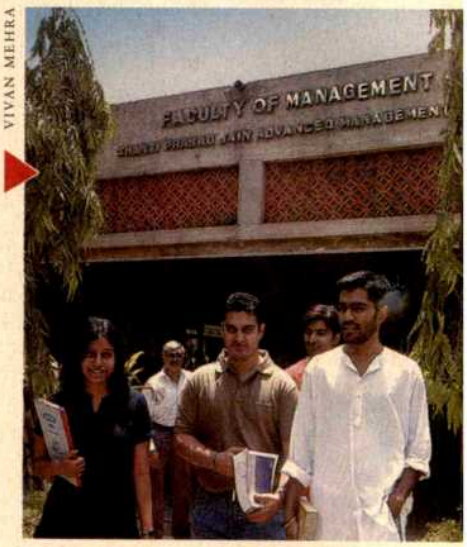
FACULTY STUDENT RATIO: 1:13

AVERAGE ANNUAL SALARY: Rs 5.66 lakh domestic; N.A. international

BIGGEST RECRUITER: Infosys

STAR RECRUITER: Erix Advisors

VIVAN MEHRA



STUDENT PROFILE: Male:Female (69:35); Engineer:Non-engineer (27:25); With work experience:Fresher (23:29)

STAR ALUMNI: Vishal Jain, VP (Investments), Benchmark Mutual Funds; Manoj John, Project Director & Head (Business Consulting-Mumbai), Synovate; Neelesh Verneker, VP, UTI Bank

QUOTE: VISHAL JAIN, Vice President (Investments), Benchmark Mutual Funds:

"I think the best part of the institute is the faculty. We had qualified, competent and experienced faculty. I liked the teaching methodology; It created a competitive environment, which helped in the learning process"

ICFAI Business School
Gurgaon

SPECIALISATION: Marketing, Finance, IT & Systems, HRM, Operations Management, Accounting, Banking, Insurance, Investments, International Business and Entrepreneurship

ADMISSION PROCEDURE: IBSAT or GMAT, micro presentation and interview

SIZE OF THE CLASS: 450

FACULTY STUDENT RATIO: 1:10

AVERAGE ANNUAL SALARY: Rs. 4.8 lakh domestic; N.A. international

BIGGEST RECRUITER: UTI Bank, Capital IQ, ICICI Bank, TCS, Tata Technologies

STAR RECRUITER: Progeon, Tata Technologies, ICICI Bank

STUDENT PROFILE: Male:Female (3:2); Engineer:Non-engineer (1:2); With work experience:Fresher (1:2)

STAR ALUMNI: Siddhartha Somani, Asst VP, Ambit Corporate Finance

QUOTE: SIDDHARTHA SOMANI, Asst VP, Ambit Corporate Finance:

"The institute transformed my perception of the world and business, it raised my standards of excellence, and gave me the tools to succeed in almost any professional endeavour"

ICFAI Business School
Hyderabad

SPECIALISATION: Marketing, Finance, IT & Systems, HRM, Operations Management, Accounting, Banking, Insurance, Investments, International Business and Entrepreneurship

ADMISSION PROCEDURE: IBSAT or GMAT, micro presentation and interview

SIZE OF THE CLASS: 1,400

FACULTY STUDENT RATIO: 1:5

AVERAGE ANNUAL SALARY: Rs. 5.2 lakh domestic; N.A. international

BIGGEST RECRUITER: HCL, TCS, ICICI Bank, Karvy, JP Morgan, Bank of Baroda

STAR RECRUITER: JP Morgan, Cognizant, Nestle

STUDENT PROFILE: Male:Female (3:1); Engineer:Non-engineer (1:1); With work experience:Fresher (1:1)

STAR ALUMNI: Vanitha Datla, Director (Finance), Anjani Portland Cement; Shrikant Kalluri, Manager (IT), DE Shaw India Software Private Ltd

QUOTE: VANITHA DATLA, Director (Finance), Anjani Portland Cement:

"The course curriculum at IBS trains us in applying fundamental theoretical tools and analytical skills to decision-making in everyday business situations. Graduating from the portals of IBS enables us to better deploy our acquired skill set in a multi-disciplinary context"

ICFAI Business School
Mumbai

SPECIALISATION: Marketing, Finance, IT & Systems, HRM, Operations Management, Accounting, Banking, Insurance, Investments, International Business and Entrepreneurship

ADMISSION PROCEDURE: IBSAT or GMAT, micro presentation and interview

SIZE OF THE CLASS: 250

FACULTY STUDENT RATIO: 1:10

AVERAGE ANNUAL SALARY: Rs. 5.2 lakh domestic; N.A. international

BIGGEST RECRUITER: ICICI Bank, TCS, HDFC Bank, GlobeOp Financial Services

STAR RECRUITER: Spectrum Global Fund, JP Morgan

STUDENT PROFILE: Male:Female (3:1); Engineer:Non-engineer (1:1); With work-experience:Fresh (1:2)

STAR ALUMNI: Deepak Pangasa, Asst VP, ICICI Venture; Shankar Raman, Associate VP (Investment Advisory Services) HSBC; Abhijit P. Khuperkar, Manager (Research), CRISIL; Jaspreet S. Sachar, Regional Sales Head (International Business), Nicholas Piramal India Ltd

QUOTE: DEEPAK PANGASA, Asst VP, ICICI Venture:

"At IBS, it was not just knowledge, but real life skills which have given me strength. This, I believe, shall always hold me in good stead, even if the lessons and assignments get forgotten"

SOUMIK KAR

Indian Institute of Foreign Trade
New Delhi

SPECIALISATION: International Business, Finance & Marketing and IT

ADMISSION PROCEDURE: Written test, GD and interview

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:10

AVERAGE ANNUAL SALARY: Rs 8.10 lakh domestic; $94,000 international

BIGGEST RECRUITER: Infosys

STAR RECRUITER: Olam International Limited, Singapore

STUDENT PROFILE: Male:Female (40:9); Engineer:Non-engineer (5:2); With work experience:Fresher (47:51)

STAR ALUMNI: Shashikanth Venkatesh, Chief Executive Officer (CEO), UB Group; V. Shivramakrishna, VP (Marketing), General Motors

QUOTE: V. SHIVRAMAKRISHNA, VP (Marketing), General Motors:

"The focus at IIFT was to impart systematic knowledge on all functional areas of management, with particular emphasis on the international dimensions, to be in tune with the demands of an increasingly competitive and globalised world"

Indian Institute of Management Ahmedabad

SPECIALISATION: None (It is a General Management Programme)

ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: 250

FACULTY STUDENT RATIO: 1:8

AVERAGE ANNUAL SALARY: Rs 9.66 lakh domestic; $92,000 international

BIGGEST RECRUITER: Barclays Capital

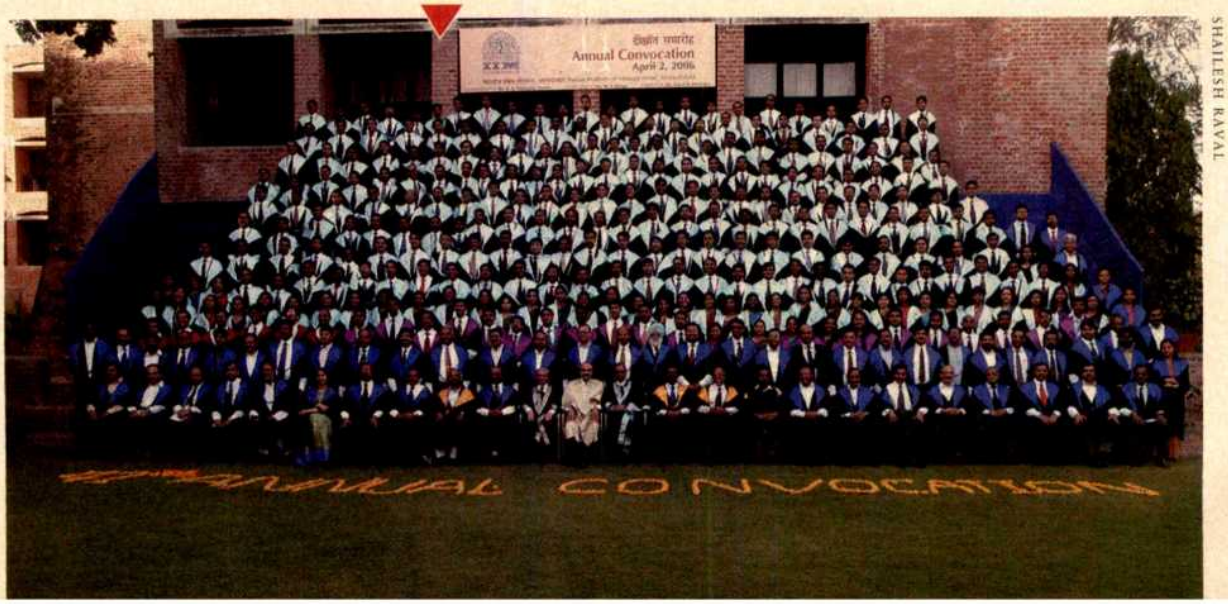
STAR RECRUITER: RPG Enterprise, Barclays Capital

STUDENT PROFILE: Male:Female (7:1); Engineer:Non-engineer (5:1); With work experience:Fresher (2:1)

STAR ALUMNI: C.K. Prahalad, Professor of Business Administration, University of Michigan Business School, US; M. Subrahmanayam, Professor of Finance, Stern School of Business New York, US; V. Kasturi Rangan, Professor of Marketing, Harvard Business School, US; Raghuram Rajan, Director of Research, International Monetary Fund; Pulak Prasad, MD, Warburg Pincus India

QUOTE: PULAK PRASAD, MD, Warburg Pincus India:

"When I went to IIM-A in 1990, I was a mechanical engineer with no exposure to business. When I walked out in 1992, I had been exposed to a wide range of business practices around finance, marketing, strategy, economics. But more importantly, it was exposure to an exceptional peer group and world-class faculty that helped in broadening my perspective of the world"



SHAILESH RAVAL

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Babu Vijendra Kumar Ji

" You are the part of our life that gives us reason for tomorrow and confidence to build it... To walk in your foot steps is the highest form of respect we can give you."

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Estd. 1989

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we help you to emPOWER yourself

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17 Years of Academic Excellence

NICE Management College, Meerut
Conducting : MBA, MCA, BBA, BCA

Shobhit Institute of Engineering & Technology, Meerut
Conducting : B. Tech., MCA

Shobhit Institute of Engineering & Technology, Gangoh, Saharanpur
Conducting : B. Tech., MCA

Adarsh Vijendra Dental College & Hospital, Gangoh, Saharanpur
Conducting : BDS*

Adarsh Vijendra Institute of Pharmaceutical Sciences, Gangoh, Saharanpur
Conducting : B. Pharma.*

Kunwar Shekhar Hospital and Research Centre, Gangoh, Saharanpur
Conducting : Nursing*, Physiotherapy*, O.T. Tech*.

Degree Programmes

MBA Duration : 2 Years	**MCA** Duration : 3 Years
B.Tech. Duration : 4 Years Electronics & Communication Information Technology Electronics & Instrumentation Computer Science	
BDS Duration : 4 Years	**B. Pharma.** Duration : 4 Years
BBA Duration : 3 Years	**BCA** Duration : 3 Years

Diploma Programmes

PGDBM (P/T) Duration : 3 Years	**NURSING** Duration : 3.5 Years
O.T. Tech. Duration : 2 Years	**PHYSIOTHERAPY** Duration : 2 Years

Global Exposure
Through students exchange with University of Westminster, U.K. and with presence of foreign students on NICE campus

Scholarships
Hon'ble Vice President of India Shri Bhairon Singh Shekhawat awarding the scholarship to encourage NICEians on academic front (Session - 2005).

Wi Fi ZONE Campus & Hostel

Result
Number of rank holders of University are proud NICEians

Excellent Placement in top-notch National & Multinational companies

FACULTY
A vibrant group of eminent and renowned academicians

Alumni
A strong alumni network holding prime positions in reputed organisations

Infrastructure

Each Library is connected to other national libraries through ***Delnet*** and excess of an international Library Network.

Separate Hostel for Boys and Girls with excellent mess facilities and 24 hrs. power backup.

Communication lab has been imported from ROBOTEL Canada and is managed by professionals from renowned institutions like CIEFL Hyderabad.

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The Institutions of NICE Society are approved by AICTE, MHRD, Govt. Of India and affiliated with U.P. Technical University, Lucknow & C.C.S. University, Meerut

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Academic Alliance with
University of Westminster, London (U.K.)

Corporate Office :
NICE Society
54, Todar Mal Road, Bengali Market, NEW DELHI - 1
Telefax: +91-11-23323994/ 23323996
email : mail@nicesociety.org

DEEPK G. PAWAR

Indian Institute of Management Bangalore

SPECIALISATION: Marketing, Finance, Personnel Management & HRM, Operations and Behavioural Sciences

ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: 233

FACULTY STUDENT RATIO: 1:9

AVERAGE ANNUAL SALARY: N.A.

BIGGEST RECRUITER: AXA Associates, Barclays, Deutsche Bank, Hindustan Lever, ICICI Bank, Lehman Brothers, McKinsey & Co., Merrill Lynch, Macquarie Bank, Procter & Gamble, RSG Systems

STAR RECRUITER: N.A.

STUDENT PROFILE: Male:Female (193: 40); Engineers:Non-engineers (212: 21); With work experience:Fresher (125:108)

ALUMNI: Zahed M.S., Chairman & MD, HMT (International) Ltd; Rajeev Bakshi, Chairman, PepsiCo India Holdings Pvt Limited; Shripad Nadkarni, former VP (Marketing), Coca-Cola India; Shekar Dasgupta, former MD, Oracle India

QUOTE: N.A.

Indian Institute of Management Calcutta

SPECIALISATION: Finance, Operations

ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: 249

FACULTY STUDENT RATIO: 1:8

AVERAGE ANNUAL SALARY: Rs 9.81 lakh domestic; $103,000 international

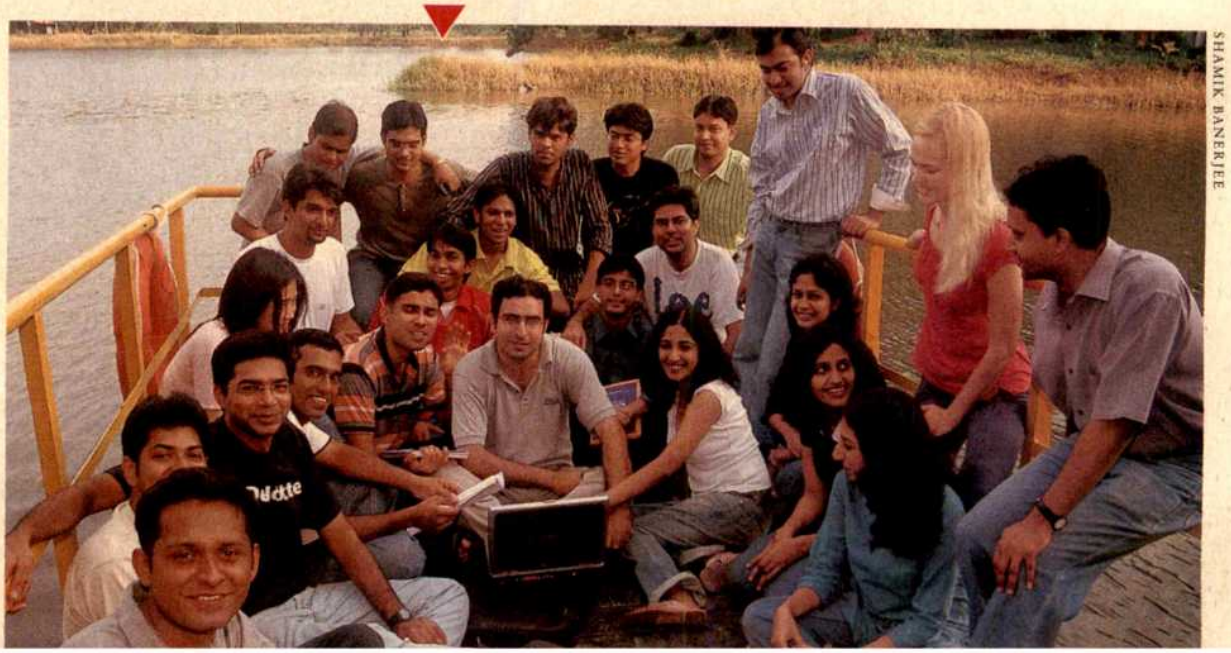
BIGGEST RECRUITER: Merrill Lynch

STAR RECRUITER: N.A.

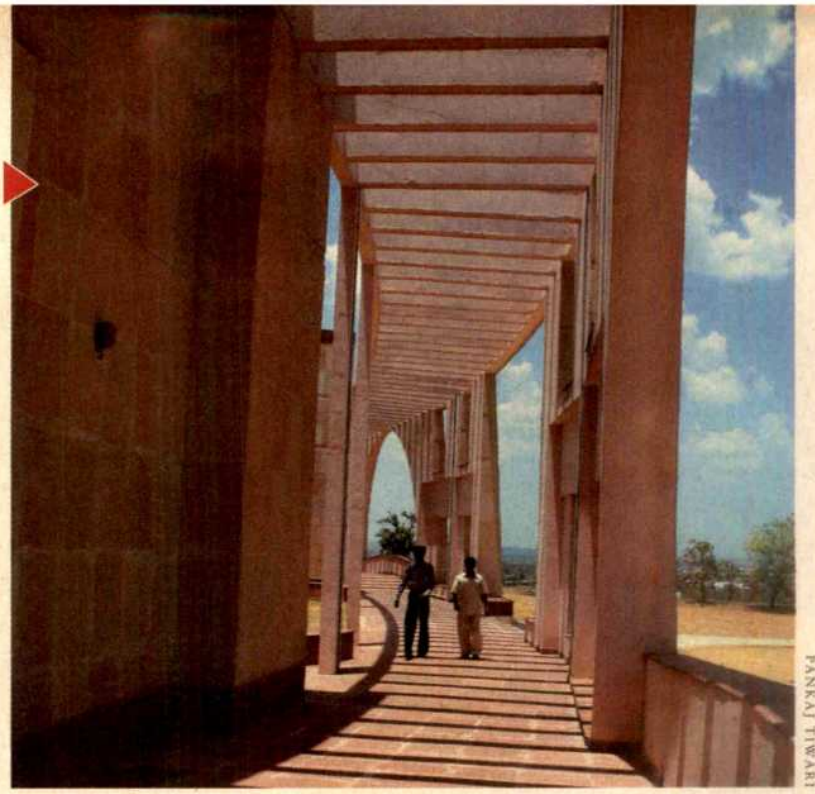
STUDENT PROFILE: Male:Female (221:28); Engineer:Non-engineer (213:36); With work experience:Fresher (128:121)

STAR ALUMNI: Haresh Chawla, Chief Executive Officer, CNBC-TV18; Ajit Balakrishnan, Chief Executive Officer, Rediff; R. Ramaraj, CEO, Sify; Sandipan Deb, Journalist; Arun Adhikari, Chairman, Unilever Japan; Shantanu Khosla, VP, Procter & Gamble; Suresh Sundareshan, Professor (Finance & Economics), Columbia University; Indra Nooyi, CEO, PepsiCo

QUOTE: N.A.



SHAMIK BANERJEE



PANKAJ TIWARI

Indian Institute of Management (IIM) Indore

SPECIALISATION: Marketing, Finance, IT, Operations, HRM, Banking and Financial Services

ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: N.A.

FACULTY STUDENT RATIO: 1:9

AVERAGE ANNUAL SALARY: Rs 8.50 lakh domestic; $55,000 international

BIGGEST RECRUITERS: Cognizant Technologies, JP Morgan, Reliance Industries Ltd

STAR RECRUITERS: Irevna, Macquarie Bank, Olam International, Astro Malaysia

STUDENT PROFILE: Male:Female (1:10); Engineer:Non-engineer (13:7); With work experience: Fresher (16:9)

STAR ALUMNI: Harpreet Singh Julka, Vice President, Polaris Labs, London; Ravi Seth, Relationship Manager, Citibank, London; Abhishek Kathuria, Consultant, Infosys

QUOTE: N.A.

Indian Institute of Management (IIM) Lucknow

SPECIALISATION: Management, Agribusiness Management

ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: 300

FACULTY STUDENT RATIO: 1:5

AVERAGE ANNUAL SALARY: Rs 8.74 lakh domestic; Rs 36 lakh international

BIGGEST RECRUITERS: McKinsey & Co, Baring Private Equity Partners

STAR RECRUITERS: JP Morgan, McKinsey & Co.

STUDENT PROFILE: Male:Female (10:1); Engineer:Non-engineer (9:2); With work experience:Fresher (1:2)

STAR ALUMNI: Vineet Chauhan, Global Risk Manager, JP Morgan Chase, London

QUOTE: N.A.

Indian School of Business (ISB)
Hyderabad

SPECIALISATION: Entrepreneurship, Analytical Finance, Technology, Marketing, Managing in Emerging Markets, Leadership and Change Management, Global Logistics and Manufacturing Strategies

ADMISSION PROCEDURE: GMAT, CAT; TOEFL score for overseas students

SIZE OF THE CLASS: 418

FACULTY STUDENT RATIO: 1:5

AVERAGE ANNUAL SALARY: Rs 11.77 lakh domestic; $120,700 international

BIGGEST RECRUITER: N.A.

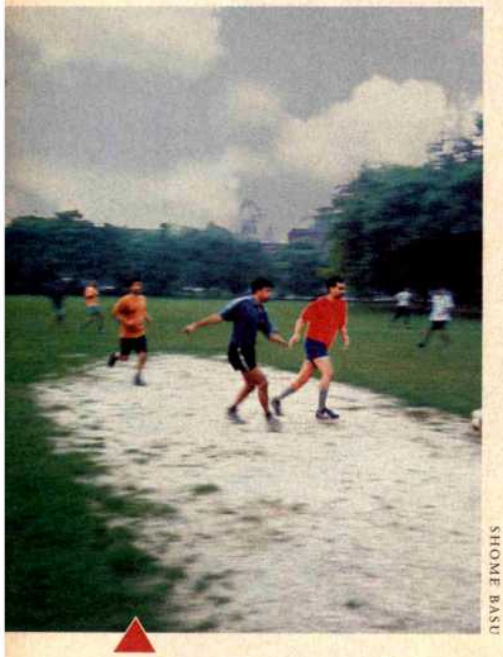
STAR RECRUITER: N.A.

STUDENT PROFILE: Male:Female (4:1); Engineer:Non-engineer (N.A.); With work experience: Fresher (N.A.)

STAR ALUMNI: N.A.

QUOTE: N.A.

A. PRABHAKAR RAO



SHOME BASU

Institute of Management Technology (IMT)
Ghaziabad

SPECIALISATION: Marketing, Finance, Operations, Human Relations, IT, Strategy and Economic Environment

ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: 117

FACULTY STUDENT RATIO: 1:5

AVERAGE ANNUAL SALARY: Rs 6.07 lakh domestic; $85,000 international

BIGGEST RECRUITER: Infosys

STAR RECRUITERS: Satyam Computers, Olam International

STUDENT PROFILE: Male:Female (41:76); Engineer:Non-engineer (28:89); With work experience:Fresher (31:86)

STAR ALUMNI: Rajeev Karwal, CEO (Consumer Durables), Reliance Retail; Arshhi Narang, CEO, Navitas Technologies (Hong Kong)

QUOTE: RAJEEV KARWAL, CEO (Consumer Durables), Reliance Retail:

"IMT is the place where I learnt professional skills in addition to gaining business knowledge. I firmly believe that IMT is among the best institutions in the country. I wish my fellow IMTians the world over a lot of success. Let's keep the IMT flag flying high"

Institute of Technology & Management (ITM)
Mumbai

SPECIALISATION: Marketing, Finance, Human Resource, IT and Operations

ADMISSION PROCEDURE: CAT, GD and interview

Size of the class: 120

FACULTY STUDENT RATIO: 1:11

AVERAGE ANNUAL SALARY: Rs 4.24 lakh domestic; N.A. international

BIGGEST RECRUITERS: HDFC, TCS, Reliance Capital, IDBI Bank

STAR RECRUITERS: Caterpillar, HDFC, IPCL, e-Serve, Oracle

STUDENT PROFILE: Male:Female (41:19); Engineer:Non-engineer (11:9); With work experience:Fresher (83:37)

STAR ALUMNI: Rahul Srivastava, Regional Sales Manager, Caterpillar Commercial Pvt Ltd; Bharat Parekh, Sr. Director, DSP Merrill Lynch; Harsh Joshi, Asst. VP (Research), Motilal Oswal; Preetish Toraskar, GM (Sales & Marketing), Lupin Ltd; H Thiagarajan, Assistant. VP, Zee Telefilms Ltd; Satish Poojari, Senior Business Manager, Bharti Broadband

QUOTE: RAHUL SRIVASTAVA, Regional Sales Manager, Caterpillar Commercial Pvt. Ltd:

"Multiple commitments, the demand to excel, doing things irrespective of thinking who gets the credit... these are the things with which I got acquainted with during my two years at ITM Business School. Of course, it requires a favourable environment, which is a unique to this place—the infrastructure, the faculties, not to mention the time for celebration after hard work"

J

Jamnalal Bajaj Institute of Management Studies (JBIMS)
Mumbai

SPECIALISATION: Marketing, Finance, IT, Systems and Production

ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: 60

FACULTY STUDENT RATIO: 1:10

AVERAGE ANNUAL SALARY: Rs 14.5 lakh domestic; N.A. international

BIGGEST RECRUITER: N.A.

STAR RECRUITERS: N.A.

STUDENT PROFILE: N.A.

STAR ALUMNI: Ajay Piramal, Chairman, Nicholas Piramal; Uday Kotak, Executive Vice Chairman & MD, Kotak Mahindra Group; Nitin Ghadiyar, Executive Director, Dabur India; Vinita Bali, CEO, Britannia Industries

QUOTE: AJAY PIRAMAL, Chairman, Nicholas Piramal:

"JBIMS is a centre of excellence, developing young minds into resourceful, enriched and empowered managers, and developing knowledge skills and attitudes for development and industrial growth"

SOUMIK KAR

GIFT
GITAM INSTITUTE OF FOREIGN TRADE

"Building Global Competencies is a way of Life at...GIFT"

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GIFT has positioned some of the best faculty in the country. Some of them have worked in the best of business schools in the country and outside the country. It has excellent support facilities such as advanced digital library, campus-wide high speed wireless networks, and student support facilities such as executive hostels for boys and girls, Gym, Tennis Court, Food Courts, Music Center and e-Learning Center et cetra.

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ADMISSION

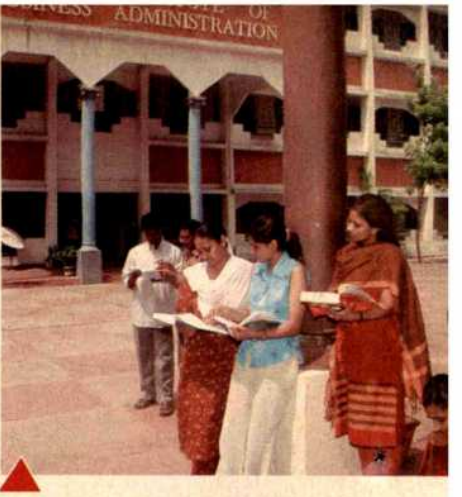
On the basis of CAT/XAT/IIFT test scores followed by GD/PI at various places in the country.
For further details see our website
www.gift-india.org

Faculty Positions

As part of our continuous growth, GIFT invites applications throughout the year for faculty positions at Assistant / Associate / Professor levels in the following areas: International Business; Economics; Accounting & Finance; Small Business and Entrepreneurship, Systems, Organizational Behaviour and HRM. Faculty Members are required to undertake teaching, research, consultancy, MDPs and institution building activities. The institute offers attractive revenue sharing options for consultancy, MDPs and Research. Applicants from academia should preferably have a PhD from a reputed Indian/Foreign University. The Ph.D. requirement can be relaxed for candidates with substantial work experience in senior positions in industry and who have demonstrated academic interest. Interested persons should send detailed resume and names of two references to Dr V K Kumar, Director, GITAM Institute of Foreign Trade, Rushikonda, Visakhapatnam -530 045 or email CV to director@gift-india.org

GITAM Institute of Foreign Trade

GITAM Campus, Rushikonda, VISAKHAPATNAM - 530 045. AP
Ph: 0891-2790505, 2840400. Fax: 0891-2790036
E-mail: director@gift-india.org



G. KRISHNASWAMY

K

K.J. Somaiya Institute of Management Studies and Research,
Mumbai

SPECIALISATION: Marketing, Finance, HRM, Operations, Systems and International Business

ADMISSION PROCEDURE: CAT, GD, interview and written communication test

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:14

AVERAGE ANNUAL SALARY: Rs 5.57 lakh domestic; N.A. international

BIGGEST RECRUITER: Infosys

STAR RECRUITER: DSP Merrill Lynch

STUDENT PROFILE: Male:Female (3:7); Engineer:Non-engineer (11:9); With work experience:Fresher (19:11)

STAR ALUMNI: Ashutosh Khanna, CEO, Grey Worldwide India

QUOTE: N.A.

L

Lal Bahadur Shastri Institute of Management
Delhi

SPECIALISATION: Marketing, Finance, IT, Operations and Systems and HRM

ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:10

AVERAGE ANNUAL SALARY: Rs 5.50 lakh domestic; N.A. international

BIGGEST RECRUITER: HDFC Bank

STAR RECRUITER: Britannia Industries, Citibank

STUDENT PROFILE: Male:Female (13:7); Engineer:Non-engineer (3:2); With work experience:Fresher (27:23)

STAR ALUMNI: Adarsh Shastri, Director, Bird International Ltd

QUOTE: N.A.

Loyola Institute of Business Administration (LIBA), Loyola College
Chennai

SPECIALISATION: Marketing, General Management and Operations, Finance, HRM, International Business and Systems

ADMISSION PROCEDURE: XAT, GD and interview

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:8

AVERAGE ANNUAL SALARY: Rs 4.63 lakh domestic; N.A. international

BIGGEST RECRUITERS: Infosys, HDFC

STAR RECRUITER: Indian Oil Corporation, Citibank

STUDENT PROFILE: Male:Female (31:29); Engineer:Non-engineer (2:3); With work experience:Fresher (22:39)

STAR ALUMNI: H. Srikrishnan, Executive Director, YES Bank; Peter Raj Kapoor, Regional VP & Area Marketing Head, American Express

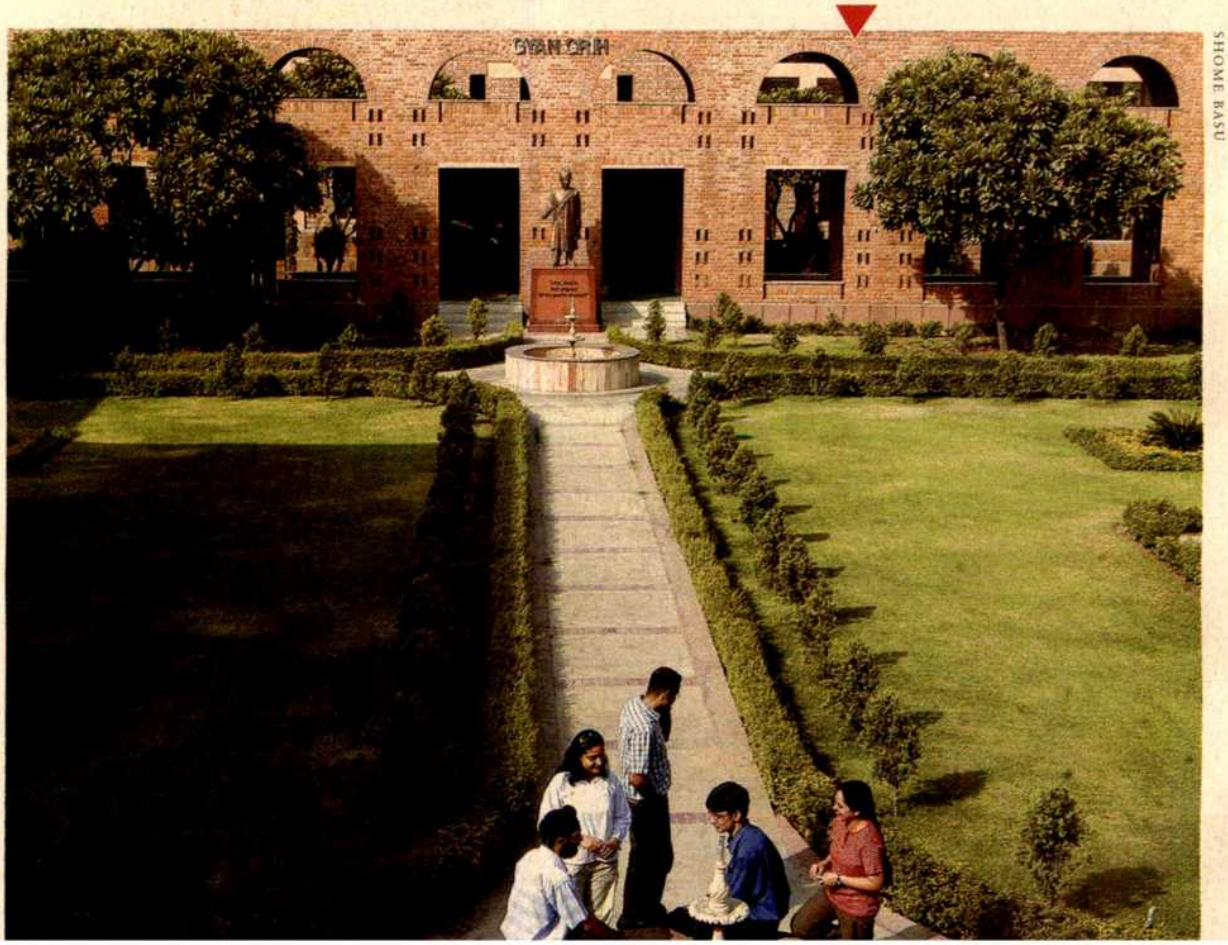
QUOTE: H. SRIKRISHNAN, EXECUTIVE DIRECTOR, YES Bank:

"It was truly an entrepreneurial experience during LIBA's early stages and to be part of the first few batches. The learning is still fresh in the mind and put to use professionally at YES Bank"

M

Management Development Institute
Gurgaon

SPECIALISATION: Marketing, Finance, Human Resources, IT and Operations



SHOME BASU

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Since the launching of AICTE approved PGDBM * programme, EMPI responding to the market needs is continuously innovating and launching industry endorsed 18+6 months Advanced PG level programmes (with concurrent MBA option) designed and crafted by leading professionals and experts in each area. Faculty drawn from America, Europe and other countries enables EMPI's programmes internationally compatible for credit transfer. Conducted in a vast pollution free green residential campus equipped with facilities for sports and games, health club, medical unit and satellite connected large computer centre, EMPI setup in a 47 acre green campus provides a unique teaching-learning environment befitting its vision of a 'Modern Gurukul'.

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(PG-AdCoM)
India + France

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Programme conducted under the advise and guidance of
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with option for study through Int'l Exchange in the second year and Placement Support in France & Europe
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Rank for Intellectual Capital
*(Survey, 2000)

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ADMISSION PROCEDURE: CAT, GD and interview

SIZE OF THE CLASS: 127

FACULTY STUDENT RATIO: 1:7

AVERAGE ANNUAL SALARY: Rs 12.35 lakh domestic; $65,000 international

BIGGEST RECRUITERS: Infosys, Aditya Birla Management Corp, HCL Technologies, Goldman Sachs, Sharaf Group, TCS, JP Morgan

STAR RECRUITERS: ITC, Nestle, JP Morgan, Wipro, UTI Bank

STUDENT PROFILE: Male:Female (4:1); Engineer:Non-engineer (4:1); With work experience:Fresher (3:2)

STAR ALUMNI: Arvind Sharma, Associate Consultant (Consulting Group), IBM Global Services; N.N. Subramanian, Director, Maveric Systems; Eshan Joshi, Asst VP, Infosys; Sanjay Verma, Joint MD, Cushman & Wakefield

QUOTE: N.A.

Narsee Monjee Institute of Management & Higher Studies

Mumbai

SPECIALISATION: Marketing, Retail, International Business, HRM, IT/ Systems, Operations, Finance & Advertising and Communication

ADMISSION PROCEDURE: Written test, GD and interview

SIZE OF THE CLASS: 240

FACULTY STUDENT RATIO: 1:6

AVERAGE ANNUAL SALARY: Rs 7.47 lakh domestic; $40,000 international

BIGGEST RECRUITER: Kotak Mahindra Bank

STAR RECRUITERS: Macquarie Bank, Air India

STUDENT PROFILE: Male:Female (187:53); Engineer:Non-engineer (101:139); With work experience:Fresher (11:4)

STAR ALUMNI: Kavita Hurry, MD & CEO, ING Vysya Mutual Fund

QUOTE: KAVITA HURRY, MD & CEO, ING Vysya Mutual Fund:

"At NMIMS, I learnt how to cope with failures. It taught me to be vigilant, take up struggles that come in everyday life and come out stronger"

National Institute of Industrial Engineering (NITIE)

Mumbai

SPECIALISATION: Industrial Management, Industrial Engineering (IE), Industrial Safety and Environmental Management and Information Technology

ADMISSION PROCEDURE: CAT, GD and interview; for IE, GATE score is used instead of CAT

SIZE OF THE CLASS: 171

FACULTY STUDENT RATIO: 1:4

AVERAGE ANNUAL SALARY: Rs 8.20 lakh domestic; $76,500 international

BIGGEST RECRUITER: Cognizant Technology, Procter & Gamble

STAR RECRUITER: Eicher Consulting Services, Olam International

STUDENT PROFILE: Male:Female (16:1); All engineers; With work experience:Fresher (3:2)

STAR ALUMNI: Akhilesh Tuteja, Director, KPMG; Ganesh Natarajan, Deputy Chairman & MD, Zensar Technologies; Ashwin Rangan, CIO, Wal-Mart; Shiva Ganapathy, VP, Citigroup Worldwide; B. Ravi, CEO, Eicher Consulting Services; S. Hariharan, Head Corporate (Japan & Korea), TCS

QUOTE: AKHILESH TUTEJA, Director, KPMG:

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DEEPK G. PAWAR

P

PSG Institute of Management
Coimbatore

SPECIALISATION: Marketing, Finance, HRM, IT and International Business

ADMISSION PROCEDURE: MAT, GD and interview

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:21

AVERAGE ANNUAL SALARY: Rs 3.85 lakh domestic; N.A. international

BIGGEST RECRUITER: ICICI Bank

STAR RECRUITER: e-Serve International

STUDENT PROFILE: Male:Female (79:41); Engineer:Non-engineer (17:13); All freshers

STAR ALUMNI: M. Venkatesh, MD, MetLife

QUOTE: N.A.

Peoples Education Society of Management
Bangalore

SPECIALISATION: Marketing, Finance, HRM and Systems

ADMISSION PROCEDURE: KMAT and counselling

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:12

AVERAGE ANNUAL SALARY: Rs 3.75 lakh domestic; N.A. international

BIGGEST RECRUITER: IDBI Bank

STAR RECRUITER: Oracle

STUDENT PROFILE: Male:Female (2:1); Engineer:Non-engineer (1:4); With work experience:Fresher (1:6)

STAR ALUMNI: Venugopal J., Assistant Manager (HR), Infinite Computer Solutions

QUOTE: N.A.

R

Rai Business School
New Delhi

SPECIALISATION: Sales & Marketing, Financial Services & Banking, Retail Management, International Business, Information Technology, HRM and Insurance

ADMISSION PROCEDURE: MAT/CAT scores, GD and interview

SIZE OF THE CLASS: 60

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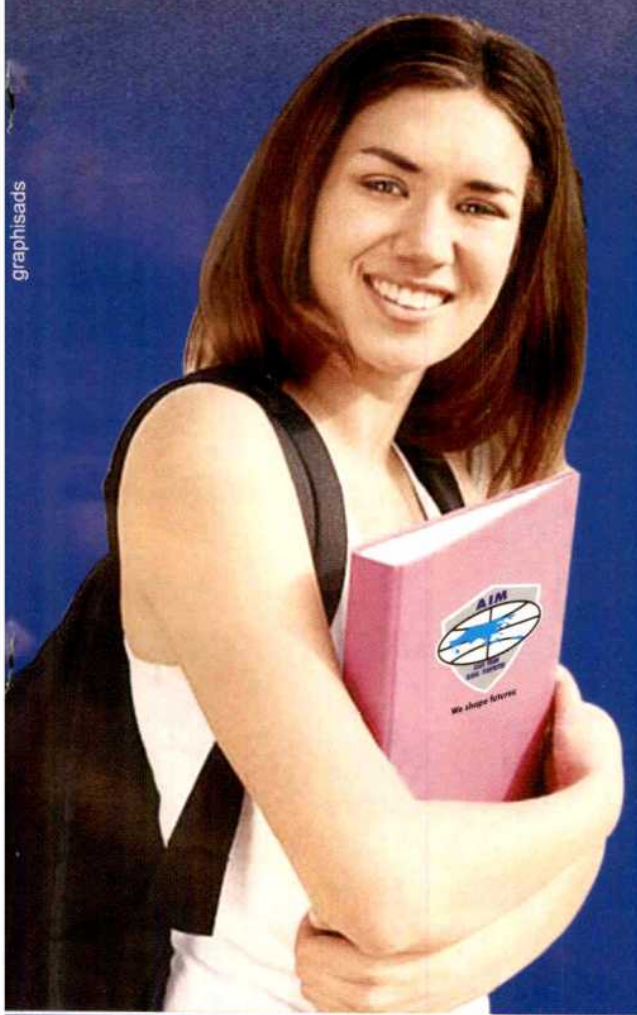

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FACULTY STUDENT RATIO: 1:10

AVERAGE ANNUAL SALARY: Rs 3 lakh domestic; N.A. international

BIGGEST RECRUITER: Bank of Emirates, ICICI Prudential

STAR RECRUITER: Bank of Emirates, Oracle, Zee Telefilms

STUDENT PROFILE: Male:Female (7:3); Engineer:Non-engineer (1:4); With work experience:Fresher (1:4)

STAR ALUMNI: Ritesh Kapoor, Operations Manager (Banking, Retail-non motors) for Gujarat, ICICI Lombard

QUOTE: RITESH KAPOOR, Operations Manager (Banking, Retail-non motors) for Gujarat, ICICI Lombard:

"Do your work whole heartedly and you will succeed—there is so little competition. This is the way Rai developed us, so that we permanently succeed"

S.P. Jain Institute of Management & Research (SPJIMR)

Mumbai

SPECIALISATION: Marketing, Operations, Information Management and Finance

ADMISSION PROCEDURE: Entrance test and interview

SIZE OF THE CLASS: 139

FACULTY STUDENT RATIO: 1:4

AVERAGE ANNUAL SALARY: Rs 8.5 lakh domestic; $33,000 international

BIGGEST RECRUITER: Intel

STAR RECRUITER: Genpact

STUDENT PROFILE: Male:Female (2:1); Engineer:Non-engineer (2:1); With work experience:Fresher (3:1)

STAR ALUMNI: Pavan Nagori, VP, Deutsche Bank, London

QUOTE: N.A.

Shailesh J. Mehta School of Management (SJMSOM), Indian Institute of Technology

Mumbai

SPECIALISATION: Marketing, Finance, Systems/IT, Operations and International Business

ADMISSION PROCEDURE: National level joint management entrance test (conducted by all the IITs and IISc), GD and interview

SIZE OF THE CLASS: 60-65

STUDENT FACULTY RATIO: 4:1

AVERAGE ANNUAL SALARY: Rs.7.83 lakh domestic; N.A. international

BIGGEST RECRUITER: Infosys, IBM, MBT, Wipro, CSC, Birlasoft, HCL Technologies, Honeywell, MAQ Software, Ramco, Polaris

STAR RECRUITER: Birlasoft, Inductis

STUDENT PROFILE: Male:Female (7:1); All Engineers; With work experience:Fresher (3:1)

STAR ALUMNI: Mukti Khaire, Assistant Professor (Business Administration), Harvard Business School; Reapen Tikoo, CEO, Powai Labs; Rakesh Pundir, Executive Assistant to Kumar Mangalam Birla, Aditya Birla Group

QUOTE: MUKTI KHAIRE, Assistant Professor (Business Administration), Harvard Business School:

"SJMSOM is unique in two aspects: its graduates have a rare combination of technical and managerial skills and its faculty are PhDs from well-known Indian and American universities. Hence, during my two years there, I had the opportunity to interact with peers with a wide variety of experiences and skills, as well as being exposed to relevant academic research done by the faculty. Given the global recognition of the IIT brand, SJMSOM can distinguish itself by attracting world-class researchers and teachers"

Sydenham Institute of Management Studies and Research and Entrepreneurship Education (SIMSREE)

Mumbai

SPECIALISATION: Finance, Marketing, HR, Operations and Systems

ADMISSION PROCEDURE: Common Entrance Test (CET), GD and interview

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:15

AVERAGE ANNUAL SALARY: Rs. 5.5 lakh domestic; N.A. international

BIGGEST RECRUITERS: Infosys, Citibank, ICICI Bank, HCL, Mastek

STAR RECRUITERS: Citibank, Infosys, Hutch, DHL

STUDENTS PROFILE: Male:Female (5:3); Engineers:Non-engineers (61:59); Work experience:Fresher (1:1)

SOUMIK KAR

STAR ALUMNI: Neeraj Roy, CEO, Hungama.com; Ashish Bhasin, Director, Lintas; Alroy Lobo, MD, Kotak Securities; Sanjay Behl, Head (Marketing & Branding), Reliance Communications; Shrinivas Vardarajan, VP (Global Treasury), JP Morgan Chase; Rajesh Nair, Regional Manager-West (Passenger Cars), Tata Motors

QUOTE: NEERAJ ROY, CEO, Hungama.com:

"The two years at SIMSREE prepared me for the corporate world. My summer internship at Citibank and my final placement at the Taj Group of Hotels both happened at campus and I am delighted to be an alumnus of SIMSREE"

Symbiosis Institute of Business Management (SIBM)

Pune

SPECIALISATION: HR, Marketing, Finance and Operations Management and Marketing Communication

ADMISSION PROCEDURE: SNAP Test (Symbiosis National Aptitude test), written test, GD and interview

SIZE OF THE CLASS: 240

FACULTY STUDENT RATIO: 1:25

AVERAGE ANNUAL SALARY: Rs 7.20 lakh domestic; $85,000 international

BIGGEST RECRUITER: Cognizant Technology Solutions, Infosys

STAR RECRUITER: GlaxoSmithKline, JP Morgan

STUDENT PROFILE: Male:Female (67:33); Engineer:Non-engineer (1:1); With work experience:Fresher (2:3)

STAR ALUMNI: Rahul Varma, Senior Director (HR), Accenture; Prakash Wakankar, MD, Perfetti Van Melle

QUOTE: PRAKASH WAKANKAR, Managing Director, Perfetti Van Melle:

"Self confidence and the urge to do what you do well, an understanding of interpersonal relationships, appreciating what teams can do, an appreciation of what leadership can do—all this and more happened at Symbi (Symbiosis) and has indeed stood me in good stead all through, to this day"

Symbiosis Institute of International Business (SIIB)

Pune

SPECIALISATION: International Business, Agribusiness Management

ADMISSION PROCEDURE: SNAP Test, GD and interview

SIZE OF THE CLASS: 60

FACULTY STUDENT RATIO: 1:15

AVERAGE ANNUAL SALARY: International Business: Rs. 5.8 lakh domestic, Agribusiness Management: Rs. 3.5 lakh domestic; N.A. international

BIGGEST RECRUITER: HDFC Bank, ICICI Lombard, Infosys

STAR RECRUITER: JP Morgan Chase

STUDENT PROFILE: Male:Female (3:1); Engineer:Non-engineer (2:1); With work experience:Fresher (2:3)

STAR ALUMNI: Rajesh Poddar, Founder, Bextant L.L.C. Pittsburgh, US; Navin Chandani, Head (Account Development-India), Global Corporate Services, American Express Bank

QUOTE: NAVIN CHANDANI, Head (Account Development-India), Global Corporate Services, American Express Bank:

"The biggest learning from my days at SIIB, which has come in handy on numerous occasions during my career, is to be a good simplifier. We were told a leader is one who can offer a solution that everybody can understand; keep it simple"

Symbiosis Institute of Telecom Mangement (SITM)

Pune

SPECIALISATION: Marketing & Finance, Systems & Finance

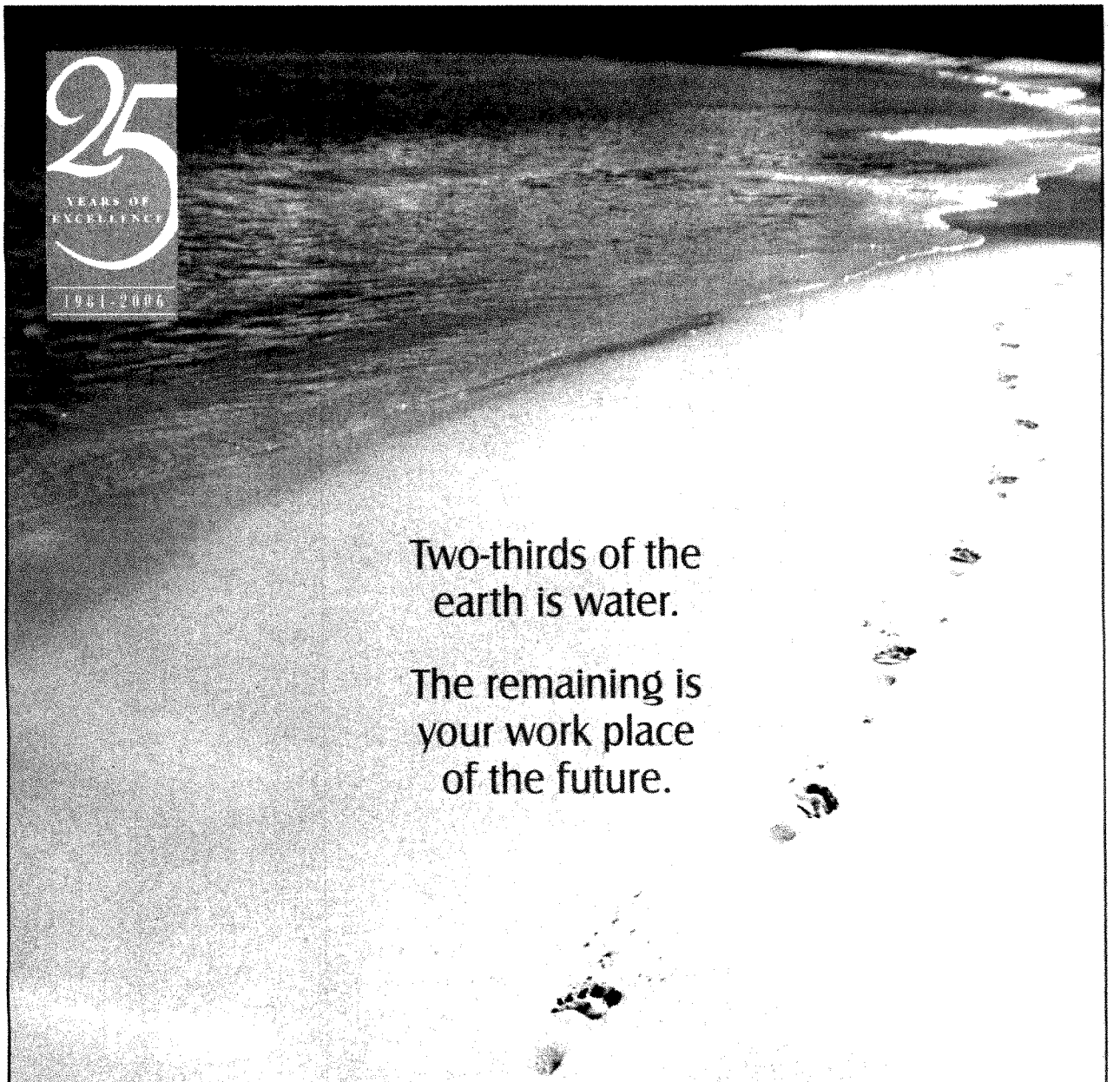
ADMISSION PROCEDURE: SNAP Test, GD and interview

SIZE OF THE CLASS: 100

FACULTY STUDENT RATIO: 1:15

AVERAGE ANNUAL SALARY: Rs 4.64 lakh domestic; N.A. international

BIGGEST RECRUITER : Infosys, VSNL, ISG Novasoft, Sify



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FOCAL POINT

STAR RECRUITER : IBM , Infosys, Ernst & Young

STUDENT PROFILE : Male:Female (4:1);
Engineer: Non-engineer (7:3);
With work experience:Fresher(3:7)

STAR ALUMNI: Vishal Jain, Senior Consultant, Ernst & Young; Chalapathi Rao Immidi, Country Account Manager, Kyocera Wireless Telecom Pvt. Ltd; Kundan Das, Deputy General Manager, Huawei Technologies

QUOTE: VISHAL JAIN, Senior Consultant, Ernst & Young:

"The two years I spent at SITM were an investment of a lifetime. SITM provided us with not only contemporary academic inputs, but also professional expertise to face an increasingly challenging world"

T

T.A. Pai Management Institute (TAPMI)
Manipal

SPECIALISATION: Marketing, Finance, Systems, General Management, HRM and Entrepreneurship (dual specialisation is possible)

ADMISSION PROCEDURE: CAT score, written test, GD and interview

SIZE OF THE CLASS: 140

FACULTY STUDENT RATIO: 1:8

AVERAGE ANNUAL SALARY: Rs 5.72 lakh domestic; N.A. international

BIGGEST RECRUITER: Infosys, HDFC Bank

STAR RECRUITER: Wipro, Citibank

STUDENT PROFILE: Male:Female (73:27);
Engineer:Non-engineer (11:9);
With work experience: Fresher (1:1)

STAR ALUMNI: Nagendra P. Bandaru, VP & Head (Worldwide Sales and Marketing), Wipro BPO, US; Ashwin Prabhu, General Manager, Interline Shipping, Hong Kong

QUOTE: NAGENDRA P. BANDARU, VP, Wipro BPO, US:

"My success in this organisation is largely attributable to the foundation laid at TAPMI. The institute has been a great influence and we are all shaping up brilliantly to become the next generation leaders. It has helped me cope with the pulls and pressures I face at work"

Tata Institute of Social Sciences, School of Management
Mumbai

SPECIALISATION: HR Management and Labour Relations

ADMISSION PROCEDURE: Objective test, essay test, GD and interview

SIZE OF THE CLASS: 42

FACULTY STUDENT RATIO: 1:4

AVERAGE ANNUAL SALARY: Rs 7 lakh domestic; N.A. international

BIGGEST RECRUITER: IBM

STAR RECRUITER: Lehman Brothers

STUDENT PROFILE: Male:Female (3:7);
Engineer:Non-engineer (1:1);
With work experience:Fresher (1:2)

STAR ALUMNI: Santrupt Misra, Director, Aditya Birla Management Corporation; P. Vijayan, Vice President (HR), Mahindra Gesco

QUOTE: SANTRUPT MISRA, Director, AB Mgmt Corp:

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V

Vinod Gupta School of Management, IIT
Kharagpur

SPECIALISATION: General Management, Marketing, Finance, Systems, Operations, HRM and Organisational Behaviour

ADMISSION PROCEDURE: JMET
(Joint Management Entrance Test)

SIZE OF THE CLASS: 85

FACULTY STUDENT RATIO: 1:10

AVERAGE ANNUAL SALARY: Rs. 7.06 lakh domestic, nil international

BIGGEST RECRUITER: IBM, ITC

STAR RECRUITER: Progeon, Accenture, Wipro, ITC

STUDENT PROFILE: Male:Female (71:14);
All engineers; With work experience:Fresher (64:21)

STAR ALUMNI: Soumitra Poddar, Senior Consultant, IBM Global Services, Shell GSAP, UK; Debashis Tarafdar, Senior Manager, Supply Chain Hub, Singapore Computer Systems; Arijit Choudhary,

Compensation Consultant (South Asia), American Express; Krish Dasgupta, Market Sector Manager, Schneider Electric, New Zealand

QUOTE: ARIJIT CHOUDHARY, Compensation Consultant (South Asia), American Express:

"VGSOM has provided recognition and raises expectation of the employers wherever you work. A plant that churns out tough guys, the campus provides you an opportunity to mingle with the best brains in Asia so, in the process, you too raise your bar"

Welingkar Institute of Management Development and Research
Mumbai

SPECIALISATION: Marketing, Finance, HRM, Operations and Retail

ADMISSION PROCEDURE: CAT/ CET, GD, interview and a soft skill assessment tool

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:6

AVERAGE ANNUAL SALARY: Rs. 5 lakh domestic; Rs 17 lakh international

BIGGEST RECRUITERS: ICICI Bank, Infosys, Jumbo Group

STAR RECRUITER: Avlon Consulting

STUDENT PROFILE: Male:Female (1:1); Engineer:Non-engineer (1:2); With work experience:Fresher (2:1)

STAR ALUMNI: Shirish Joshi, VP (Channels), India & SAARC, Cisco Systems; Ridham Desai, ED, JM Morgan Stanley; Vikram Gupta, VP (Global Banking Division), Financial Institutions, Deutsche Bank; Jiggy George, Director (India & South Asia Cartoon Network Enterprises), Cartoon Network; Nandini Solanki, Assistant. VP (Western India), HSBC

QUOTE: N.A.

Xavier Institute of Management (XIMB)
Bhubaneswar

SPECIALISATION: Marketing, Finance, HR, Operations and Systems

ADMISSION PROCEDURE: XAT

SIZE OF THE CLASS: 120

FACULTY STUDENT RATIO: 1:14

AVERAGE ANNUAL SALARY: Rs 6.57 lakh domestic; $85,000 international

BIGGEST RECRUITER: Infosys, TCS, Wipro

STAR RECRUITER: Olam International, Atos Origin, JP Morgan

STUDENT PROFILE: Male:Female (19:5); Engineer:Non-engineer (87:33); With work experience:Fresher (59:61)

STAR ALUMNI: G.V. Kumar, MD, Xius India Ltd

QUOTE: N.A.

Xavier Labour Relations Institute (XLRI)
Jamshedpur

SPECIALISATION: Personnel Management & Industrial Relations, Finance, Marketing, HR, Strategy, IT, Economics, Operations Management and International Business

ADMISSION PROCEDURE: XAT and interview.

SIZE OF THE CLASS: 185

FACULTY STUDENT RATIO: 1:4

AVERAGE ANNUAL SALARY: Rs 8.3 lakh domestic, N.A. international

BIGGEST RECRUITER: IBM India, Cognizant Technology Solutions, HLL

STAR RECRUITER: McKinsey India, Lehman Brothers, Goldman Sachs

STUDENT PROFILE: Male:Female (131:54); Engineer:Non-engineer (141:44); With work experience:Fresher (20:17)

STAR ALUMNI: B. Muthuraman, MD, Tata Steel; N. Krishnakumar, Co-founder & MD, MindTree Consulting; Bijou Kurian, Chief Operating Officer, Titan Watches; Jaspal Bindra, Global Head (Corporate & Institution), Standard Chartered Bank, Singapore; Rajiv Kaul, Partner, Actis

QUOTE: N.A.

N.A.: Not available

Amity Business School, Noida; Department of Management Studies, IIT Kanpur; IGNOU, New Delhi; Indian Institute of Management, Kozhikode; Indian Institute of Planning & Management (IIPM), Mumbai ; Indian Institute of Planning & Management (IIPM), New Delhi; Nirma University Institute of Management, Ahmedabad; Osmania University Department of Business Management, Hyderabad; Symbiosis Centre for Management and Human Resource Development (SCMHRD), Pune; and Symbiosis Institute of Management Studies (SIMS), Pune, did not respond

SHAMIK BANERJEE

How We Ranked The B-schools

The *BT*-ACNielsen ORG-MARG survey polled 526 B-school 'stakeholders' across 11 cities to rank the top 30 institutes.

THE FOURTH *BT*-ACNIELSEN ORG-MARG survey of India's best B-schools was more ambitious than the ones before. While our previous survey polled 449 respondents—comprising recruiters, MBA wannabes, MBA students, functional heads, and young executives—across eight cities, this year's tapped into a larger universe of 526 respondents in 11 cities. What, however, didn't change about the survey is its methodology. It continued to use ACNielsen ORG-MARG's proprietary Winning Brands model to arrive at a Brand Equity score for each of the B-schools featured in our survey.

The survey was conducted in two phases. In the first phase, we shortlisted the 30 B-schools that were to be ranked. How? By asking MBA wannabes and recruiters to list the B-schools they would consider applying to (in the case of former) and recruiting from (for the latter). The top 30 B-schools named by the recruiters and MBA aspirants were moved to the second phase of our survey. A sub-objective of the first phase was also to understand the parameters that a student considers important for including a B-school in his or her consideration set. These parameters were further built into the second phase to understand the drivers of consideration and perception for each B-school on each of these parameters.

The Survey Universe

TARGET AUDIENCE	TOTAL SAMPLE ACHIEVED
MBA ASPIRANTS	120
CURRENT MBAS	121
HR	95
YOUNG EXECUTIVES	95
FUNCTIONAL HEADS	95
TOTAL	526

Our Respondents

MBA aspirants: Students planning to take the

Classification Of Attributes

REPUTATION
- High-ranking institute
- Thorough knowledge of subject
- Toughest admission exam
- Achievements of alumni
- Institute has international recognition
- Tie-up with foreign institute

INFRASTRUCTURE
- High-speed internet connectivity
- Excellent infrastructure, library & computers
- Enables financial aid
- Institute at convenient location
- High-standard hostel & mess facility

PLACEMENT
- 100 per cent placement
- Multiple placement options

FACULTY
- High-quality research paper
- Visiting professors—industry captains
- Well-trained faculty

SPECIALIST UNITS
- Known for marketing programme
- Known for mass media programme
- Known for finance programme

QUALITY OF PLACEMENT
- Average salary best in the industry
- Placement abroad and in MNCs

TEACHING METHODOLOGY
- Student faculty ratio 1:1
- Excellent teaching methodology
- Very good counselling
- Good industry exposure

ADMISSION ELIGIBILITY
- Prefer students with work experience
- Admission to engineers only

GRAPHICS BY PINAKI PAUL

Common Admission Test (CAT) and other MBA entrance tests. A mix of students with graduate or post-graduate degree in professional or general course was ensured.

Recruiters: HR heads of organisations that have been recruiting from B-schools for the past three years at least (a mix of managers from companies with annual revenues less than Rs 500 crore and more than Rs 500 crore was considered). The survey, both in phase one and two, was carried out across Delhi, Kolkata, Mumbai, Chennai, Lucknow, Ahmedabad, Pune, Indore, Bangalore, Hyderabad, and Coimbatore. As already mentioned, a total of 526 respondents were interviewed face-to-face.

Phase II

The objective of the second phase of the survey was to rank the 30 shortlisted B-schools using ACNielsen's brand equity measurement tool, the Winning Brands model. At this stage, three new categories of respondents were brought in. These were: MBA students, young executives (with two to three years of work experience), and functional heads.

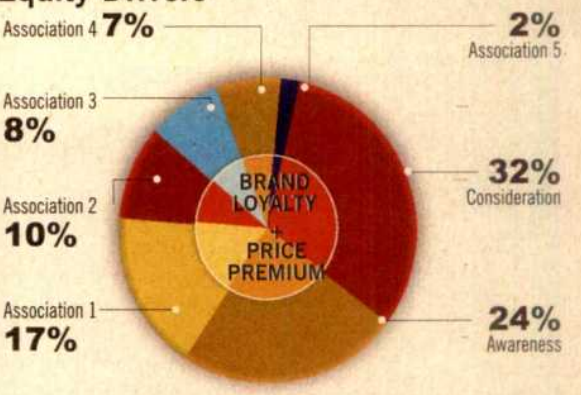
Associations for each school were obtained on various parameters. These attributes were further classified into eight factors (see *Classification of Attributes*). The Winning Brands model is focussed on understanding the key drivers (perceptions regarding the tangible and intangible aspects). Taking into consideration parameters such as favourite school, recommended school, and the price premium commanded by a brand, the model calculates the Brand Equity Index (BEI) for each of the 30 B-schools. The BEIs scores eventually determined the B-school rankings.

The higher the score of a B-school, the greater its ability to stand out in a crowded market place for management education. Like in our previous surveys, IIM Ahmedabad emerges as the only brand with a clear edge over the others. Its BEI score of 5.06 makes it a "monopoly" brand. Winning brands have a score between three and four, and distinct brands between two and three. What about those with lower scores? It only means that they have a long way to go before they become a preferred B-school brand. ■

SOUMIK KAR

The *BT*-ACNielsen ORG-MARG B-school survey team: (L-R) Seethaa Sethuraman, Minesh Dhuri, Sachin Angane and V. Pattabhiraman

Equity Drivers

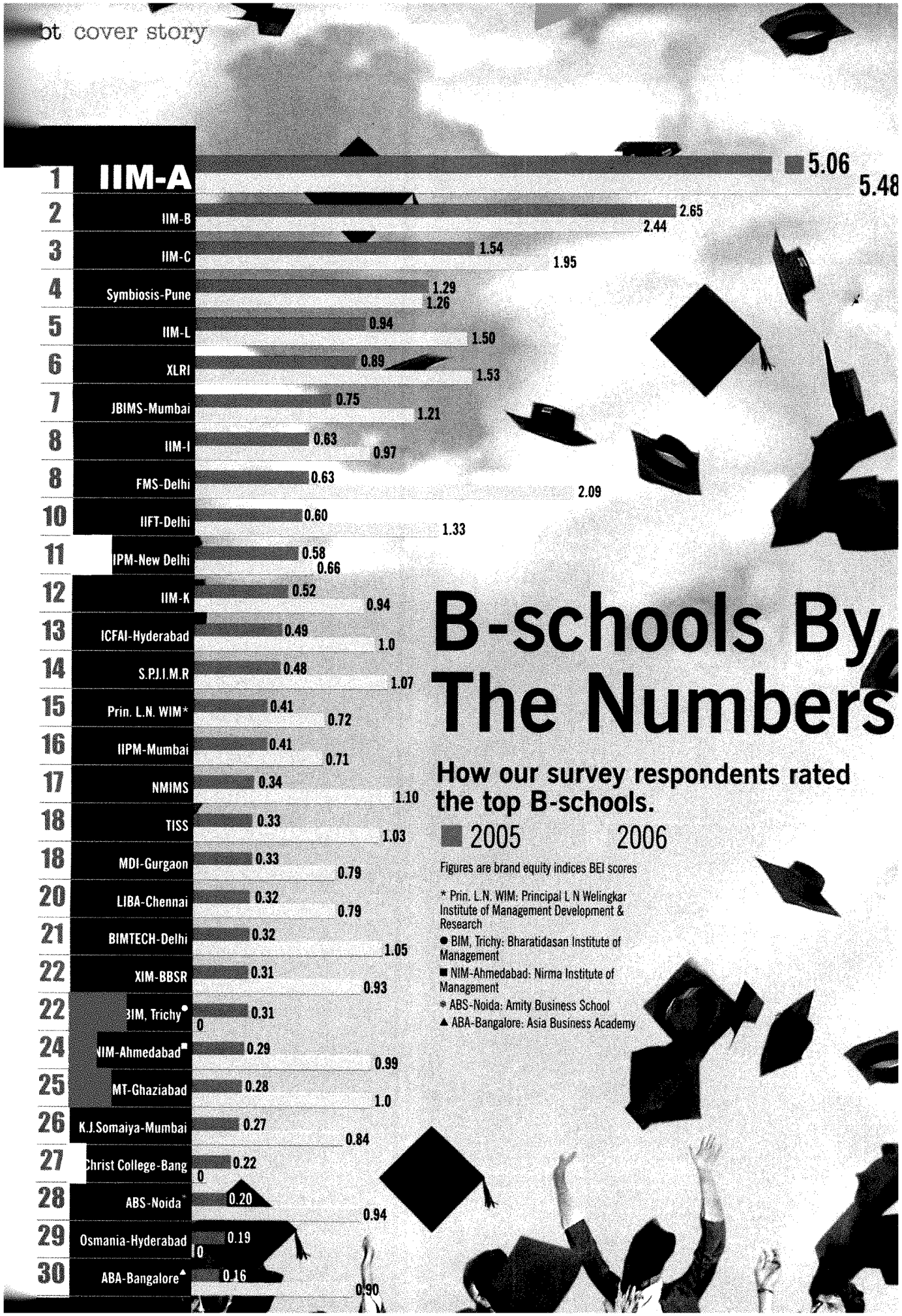


Winning Brands Approach

Brand equity is what consumers think about a brand and how that ultimately affects their purchase decisions

How Healthy Is My Brand?

Brand equity is defined as the *differential* effect that knowledge about the brand has on consumer response to the *marketing* of that brand



B-schools By The Numbers

How our survey respondents rated the top B-schools.

2005 2006

Figures are brand equity indices BEI scores

* Prin. L.N. WIM: Principal L N Welingkar Institute of Management Development & Research

● BIM, Trichy: Bharatidasan Institute of Management

■ NIM-Ahmedabad: Nirma Institute of Management

* ABS-Noida: Amity Business School

▲ ABA-Bangalore: Asia Business Academy

Top Of Mind

No surprises here. IIM Ahmedabad is on top of everyone's mind.

	All	MBA Wannabes	Current MBAs	Recruiters	Executives	Functional heads
	526	120	121	95	95	95
IIM-Ahmedabad	53	48	53	58	51	58
IIM-Bangalore	11	5	11	15	15	9
IIM-Calcutta	8	10	7	7	9	8
LIBA-Chennai	4	9	2	3	1	2
Symbiosis-Pune	4	6	5	1	3	3
JBIMS-Mumbai	3	2	2	2	5	3
ICFAI-Hyderabad	2	3	0	1	3	2
IIM-Lucknow	2	2	1	1	3	2
ABA-Bangalore	1	2	1	0	1	0
ABS-Noida	1	0	0	1	1	1

All figures in per cent

Consideration Set

IIM Bangalore ranks up there with A as a B-school of choice.

	All	MBA Wannabes	Current MBAs	Recruiters	Executives	Functional heads
	526	120	121	95	95	95
IIM-Ahmedabad	88	88	91	89	85	88
IIM-Bangalore	86	85	88	86	86	86
Symbiosis-Pune	81	73	78	85	88	84
IIM-Calcutta	80	80	84	79	76	82
IIM-Lucknow	78	77	83	74	79	75
XLRI-Jamshedpur	75	67	78	77	79	73
IIM-Indore	73	71	79	63	76	74
FMS-Delhi	70	65	75	69	68	68
IIM-Kozhikode	70	69	78	60	77	66
IIFT-Delhi	68	61	73	63	70	73

All figures in per cent

First Favourite

The troika of A, B & C leads the pack, but with significant differences.

	All	MBA Wannabes	Current MBAs	Recruiters	Executives	Functional heads
	526	120	121	95	95	95
IIM-Ahmedabad	43	44	41	40	45	46
IIM-Bangalore	13	9	12	22	14	11
IIM-Calcutta	7	8	7	7	5	7
Symbiosis-Pune	6	6	7	5	3	5
JBIMS-Mumbai	4	3	4	3	4	3
Prin. L.N.Welingkar -Mumbai	4	1	2	2	4	9
BIM Tiruchirapalli	2	4	2	0	1	1
FMS-Delhi	2	2	3	1	0	1
IIFT-Delhi	2	2	2	1	2	0
IIM-Lucknow	2	2	2	4	2	2
IIPM-New Delhi	2	2	6	2	1	1

All figures in per cent

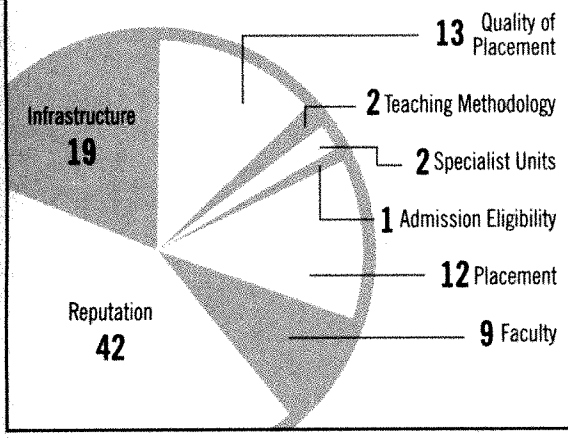
Recommend

Recruiters make a strong case for both IIM Ahmedabad and Bangalore.

	All	MBA Wannabes	Current MBAs	Recruiters	Executives	Functional heads
	526	120	121	95	95	95
IIM-Ahmedabad	40	39	40	36	42	42
IIM-Bangalore	14	7	11	23	18	13
IIM-Calcutta	7	9	8	7	4	7
Symbiosis-Pune	7	7	7	9	4	6
JBIMS-Mumbai	4	6	3	2	4	4
Prin. L.N.Welingkar -Mumbai	4	2	2	2	4	9
XLRI-Jamshedpur	4	3	3	8	2	2
IIPM-New Delhi	3	2	6	2	2	1
BIM Tiruchirapalli	2	3	2	0	1	1
FMS-Delhi	2	2	3	1	0	1
IIFT-Delhi	2	2	2	1	3	0

All figures in per cent

The Most Important Parameters (All respondents)



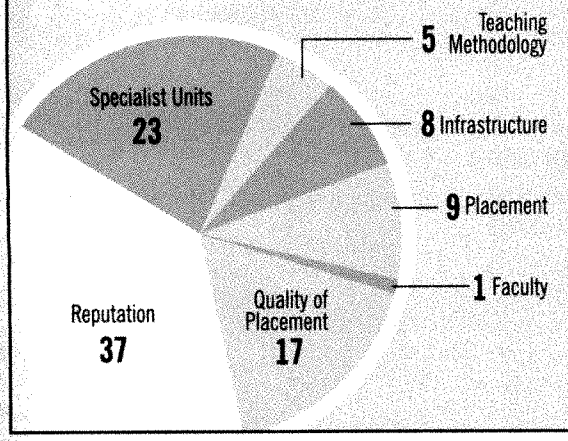
How the Schools Perform (All)

IIM A tops in both reputation and quality of placement.

	IIM-A	IIM-B	IIM-C	Symbiosis Pune	IIM-L	XLRI	JBIMS-Mumbai	IIM-I	FMS-Delhi	IIFT-Delhi
Reputation	93	90	85	74	78	79	66	76	75	63
Success of Placement	90	91	85	75	76	81	73	81	79	63
Quality of Placement	92	89	84	71	78	79	62	78	70	60
Infrastructure	86	86	84	75	78	79	74	76	74	64
Faculty	91	90	85	74	78	81	71	82	78	64
Teaching Methodology	89	87	86	76	78	79	72	80	77	63
Specialist Units	76	69	72	62	62	52	59	60	61	51
Admission Eligibility	61	63	59	48	54	43	52	49	54	39

All figures in per cent

The Most Important Parameters (Current MBAs)



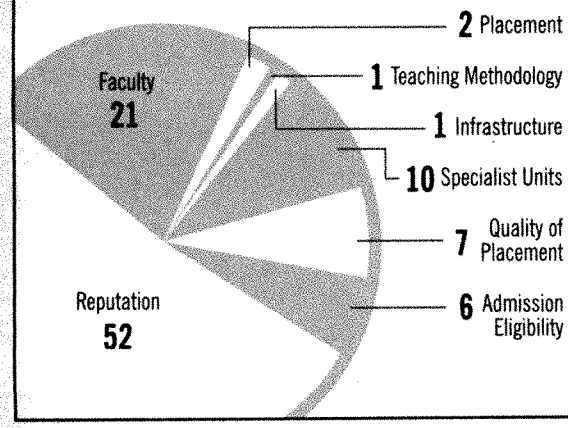
How the Schools Perform (Current MBAs)

Students perceive significant differences among the top schools.

	IIM-A	IIM-B	IIM-C	Symbiosis Pune	IIM-L	XLRI	JBIMS-Mumbai	IIM-I	FMS-Delhi	IIFT-Delhi
Reputation	94	89	80	77	70	69	61	78	69	62
Success of Placement	89	90	81	76	71	71	55	80	67	60
Quality of Placement	96	87	78	74	75	69	54	77	62	58
Infrastructure	83	81	78	72	74	64	66	66	61	56
Faculty	95	90	79	77	70	73	61	78	67	59
Teaching Methodology	89	84	83	74	72	68	68	79	65	56
Specialist Units	77	63	71	61	69	42	58	60	56	51
Admission Eligibility	63	56	55	50	50	47	44	47	50	36

All figures in per cent

The Most Important Parameters (MBA Wannabes)



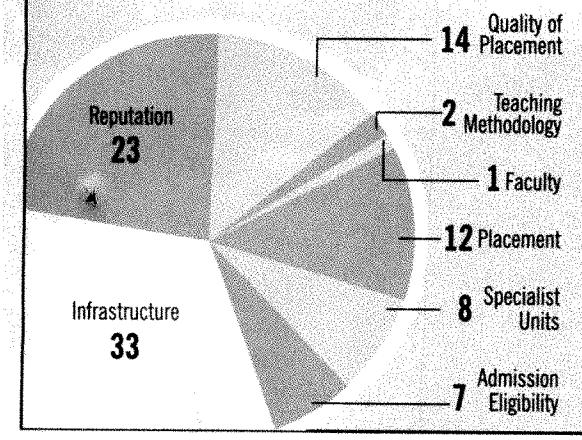
How the Schools Perform (MBA Wannabes)

Interesting. IIM-B scores over even IIM-A.

	IIM-A	IIM-B	IIM-C	Symbiosis Pune	IIM-L	XLRI	JBIMS-Mumbai	IIM-I	FMS-Delhi	IIFT-Delhi
Reputation	88	88	83	67	76	80	69	76	71	55
Success of Placement	90	93	87	73	74	76	72	79	79	55
Quality of Placement	85	93	88	68	74	82	65	76	79	60
Infrastructure	82	84	81	66	65	79	70	80	71	63
Faculty	86	92	77	67	71	76	67	83	76	50
Teaching Methodology	87	90	83	69	69	83	75	87	79	57
Specialist Units	73	76	72	66	59	61	56	65	67	53
Admission Eligibility	55	64	57	40	48	36	52	53	52	32

All figures in per cent

The Most Important Parameters (Recruiters)



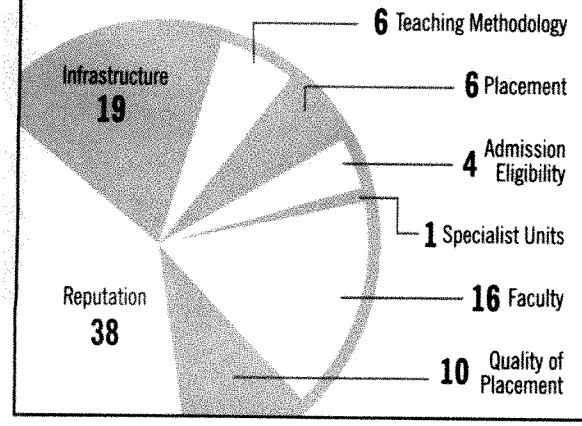
How the Schools Perform (Recruiters)

Recruiters are more impressed with IIM-B's quality of placement.

	IIM-A	IIM-B	IIM-C	Symbiosis Pune	IIM-L	XLRI	JBIMS-Mumbai	IIM-I	FMS-Delhi	IIFT-Delhi
Reputation	96	90	85	73	72	79	57	65	76	65
Success of Placement	95	94	83	72	67	81	69	76	78	62
Quality of Placement	90	92	85	70	65	76	58	81	60	64
Infrastructure	92	84	84	77	76	85	73	75	75	69
Faculty	95	94	90	72	74	84	69	81	75	67
Teaching Methodology	94	88	85	75	76	81	72	74	88	70
Specialist Units	77	71	78	54	54	60	54	49	58	43
Admission Eligibility	73	64	69	47	59	36	52	43	60	42

All figures in per cent

The Most Important Parameters (Young Executives)



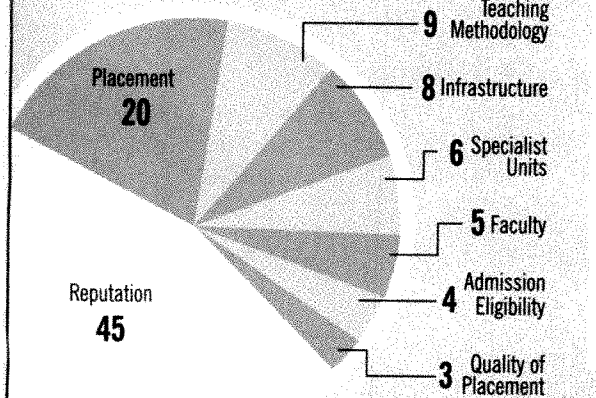
How the Schools Perform (Young Executives)

IIM Lucknow fares well with this segment.

	IIM-A	IIM-B	IIM-C	Symbiosis Pune	IIM-L	XLRI	JBIMS-Mumbai	IIM-I	FMS-Delhi	IIFT-Delhi
Reputation	92	91	88	71	90	86	71	79	87	66
Success of Placement	92	91	85	72	83	92	89	86	91	67
Quality of Placement	94	86	84	65	87	86	66	81	78	57
Infrastructure	88	94	91	78	88	87	82	82	94	62
Faculty	87	85	89	79	85	89	82	87	94	75
Teaching Methodology	89	92	90	80	88	86	72	84	86	66
Specialist Units	79	69	72	73	73	56	67	68	69	52
Admission Eligibility	50	60	57	54	63	44	66	52	57	39

All figures in per cent

The Most Important Parameters (Functional Heads)



How the Schools Perform (Functional Heads)

Their poor rating may have dragged down FMS this year.

	IIM-A	IIM-B	IIM-C	Symbiosis Pune	IIM-L	XLRI	JBIMS-Mumbai	IIM-I	FMS-Delhi	IIFT-Delhi
Reputation	95	92	92	76	84	82	74	83	80	68
Success of Placement	87	85	88	82	85	88	89	83	88	71
Quality of Placement	93	87	87	74	87	85	67	74	75	64
Infrastructure	89	88	86	80	88	87	79	78	79	72
Faculty	88	89	91	73	90	84	79	81	83	73
Teaching Methodology	86	84	88	79	84	81	75	74	78	68
Specialist Units	76	65	68	58	54	41	60	52	57	56
Admission Eligibility	63	70	61	52	52	53	48	48	54	48

All figures in per cent

The B-school Brands Stack-up

2006

	All	MBA Wannabes	Current MBAs	Recruiters	Young Executives	Functional He
MONOPOLY BRAND	IIM-A	IIM-A	IIM-A	IIM-A	IIM-A	IIM-A
WINNING BRAND	-----	-----	-----	IIM-B	-----	-----
DISTINCT BRAND	IIM-B	IIM-B	IIM-B	-----	IIM-B	IIM-B
UNDIFFERENTIATED BRAND	• IIM-C • Symbiosis	• IIM-C • Symbiosis	• IIM-C • Symbiosis	• IIM-C • Symbiosis	• IIM-C • Symbiosis • XLRI	• IIM-C • Symbiosis

2005

MONOPOLY BRAND	IIM-A	IIM-A	IIM-A	IIM-A	IIM-A	IIM-A
WINNING BRAND	-----	-----	IIM-B	-----	-----	-----
DISTINCT BRAND	• IIM-B • FMS	• IIM-B • FMS • IIM-C • SPJIMR	• FMS • IIFT	• XLRI • IIM-L	• FMS • XLRI	• FMS • IIM-C
UNDIFFERENTIATED BRAND	• IIM-C • XLRI • IIM-L • IIFT • Symbiosis • JBIMS • NMIMS • SPJIMR • BIMTECH • TISS • ICFAI-Hyd • IMT	• XLRI • IIM-L • Symbiosis • JBIMS • BIMTECH • ICFAI-Hyd • NIM • IIM-I • Alliance Business Academy • MDI	• IIM-C • IIM-L • TISS • IIM-I • ABS • Alliance Business Academy • ITM	• IIM-B • FMS • IIM-C • IIFT • Symbiosis • JBIMS • NMIMS • BIMTECH • IMT • NIM • K.J. Somaiya • Prin L.N.WIN	• IIM-B • IIM-C • IIM-L • IIFT • Symbiosis • NIMIMS • S.P.J.I.M.R • IMT • NIM • IIM-I, IIM-K • LIBA • ICFAI Mumbai	• IIM-B • IIM-L • JBIMS • TISS • IMT • XIM • Alliance Business Academy • K.J. Somaiy • MDI • SIMSREE

2004

MONOPOLY BRAND	IIM-A	IIM-A	IIM-A	IIM-A	IIM-A	IIM-A
WINNING BRAND	-----	IIM-B	-----	-----	-----	IIM-B
DISTINCT BRAND	IIM-B	IIM-C	• IIM-B • IIM-C	• XLRI • IIM-B • Symbiosis	• IIM-B • IIIM-C	-----
UNDIFFERENTIATED BRAND	• IIM-C • XLRI • Symbiosis • FMS • IIM-L • JBIMS	• FMS • IIM-L • Symbiosis • JBIMS • ICFAI • SP Jain • IIMI • IIFT • XLRI	• FMS • LIBA • IIML • XLRI • IIFT • SP Jain	• TISS • IIMC • IMT • ICFAI	• Symbiosis • XLRI • TISS • FMS • JBIMS	• JBIMS • IIMC • IIML • XLRI

Monopoly Brand: Score between 4 and 6
Distinct Brand: Score between 2 and less than 3
Winning Brand: Score between 3 and less than 4
Undifferentiated Brand: Score between 1 and less than 2

CORPORATE TRAINERS WANTED.

Welingkar Institute of Management seeks faculty for its Management Development Center.

Welingkar Institute of Management, the fastest transformed B-School in India, is today ranked 12th nationally and 6th in the area of global linkages. Welingkar Institute of Management also offers tailor made Management Development Programs (MDPs) for the corporate world, at the Management Development Center (MDC). The curriculum works towards enhancing the efficiency and productivity of working executives. Welingkar's MDC has conducted Corporate Training for companies like Mahindra & Mahindra, McDonald's, SITEL India, Datamatics Technologies, DHL Danzas Lemuir Pvt. Ltd., Syngenta, MBT, Reliance Industries Ltd., MSBTE, Mahyco, Raymonds, Prudential UK, Bharti Televentures Ltd. and others. Clearly, Welingkar is on the rise, and is now looking at dynamic and committed professionals to join its team in the following positions:

MDP Faculty (Code MDP 001)
Expert faculty in all areas of Management, especially on contemporary topics for empanelment in our MDC Team. In addition, we require industry-based specialists with an MBA / PhD background, who also excel in training at the corporate level.

Banking Professionals (Code MDP 002)
For our Advanced Banking Program we need proficient bankers with excellent training capabilities for empanelment, across the country, in the following areas, viz.

- Corporate Banking
- Treasury
- Risk Management
- Investment Banking
- Technology in Banking
- Banking Laws
- Marketing of Banking & Financial Products
- International Banking
- Venture Capital

Faculty for District / Small Town Programs (Code MDP 003)
We are seeking faculty both at Junior / Senior levels at all centers including District Headquarters for training in all General Management areas, as well as Supply Chain Management / Logistics & Distribution Management.

Good academic background & training abilities are essential. People who can conduct programs in local languages will be preferred for junior level programs. Those who have good training facilities may also indicate availability separately.

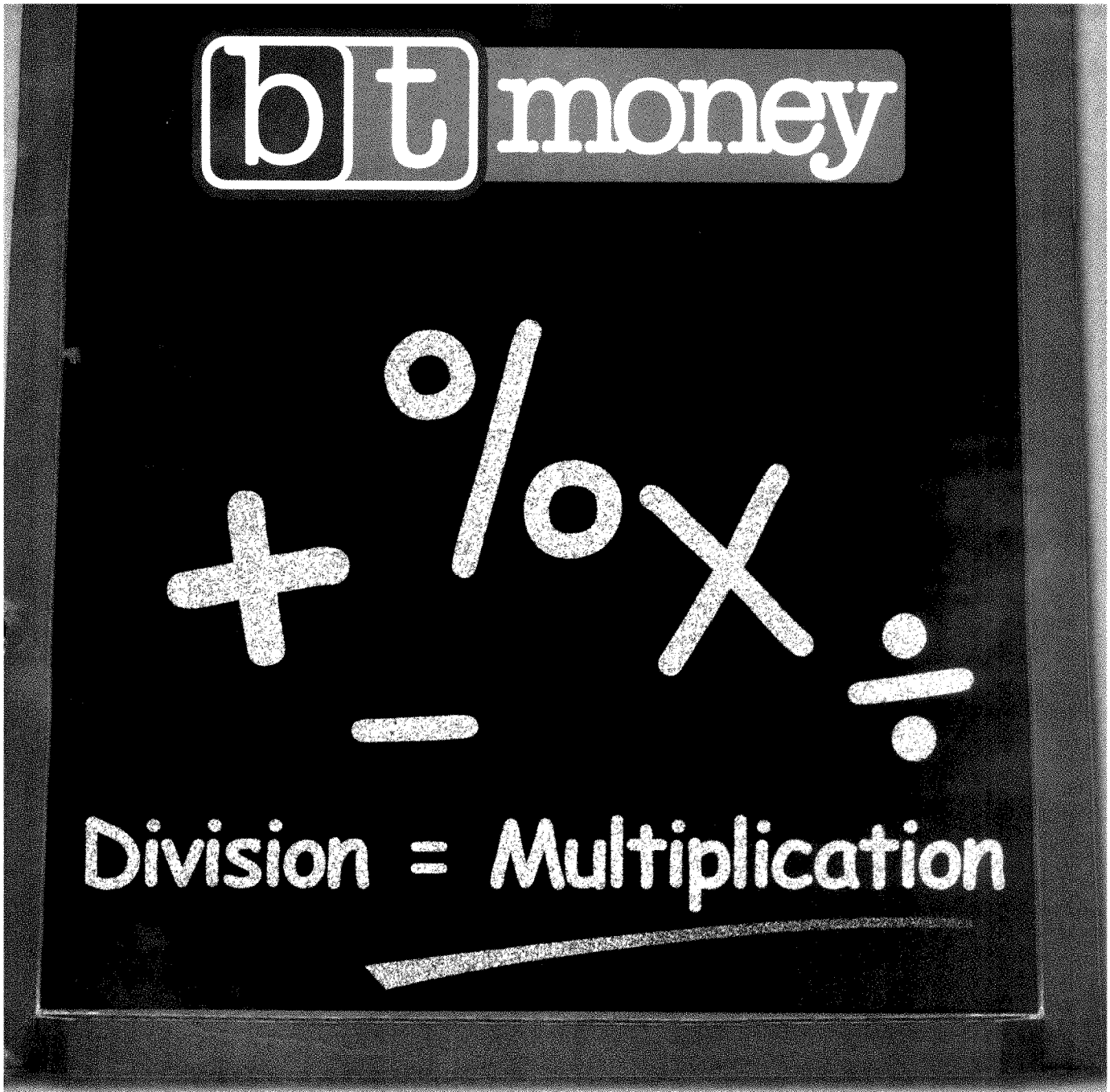
WELINGKAR
institute of management development & research

Kindly email your resumes, clearly stating the code number of the position applied for, to hrd@welingkar.org or send them by post, addressed to: The HR Department, Welingkar Institute of Management, L.N.Road, Matunga (C.Rly), Mumbai-400019. www.welingkar.org

How the Schools Perform (All): The Fine Print

	IIM-A	IIM-B	IIM-C	Symbiosis -Pune	IIM-L	XLRI	JBIMS -Mumbai	IIM-I	FMS -Delhi	IIFT -Delhi
REPUTATION	93	90	85	74	78	79	66	76	75	63
High Ranking institutes	97	93	92	82	87	88	75	83	76	69
Tie-ups with foreign institutes	87	85	77	66	68	66	50	69	68	57
Admn. Exams toughest	94	88	87	74	80	81	68	77	81	59
Thorough knowledge of subject	94	91	84	75	77	79	74	78	78	68
Alumnus-best in the industry	89	88	82	70	75	77	65	72	73	59
Have an international recognition	96	93	89	74	81	80	63	79	76	66
SUCCESS OF PLACEMENT	90	91	85	75	76	81	73	81	79	63
100 per cent placement	91	91	85	77	76	84	77	82	80	66
Multiple placement options	89	90	84	73	75	78	69	80	78	59
QUALITY OF PLACEMENT	92	89	84	71	78	79	62	78	70	60
Placement abroad and in MNCs	91	85	82	72	79	78	64	78	69	59
Average salary-bast in the industry	92	92	86	69	76	79	59	77	70	61
INFRASTRUCTURE	86	86	84	75	78	79	74	76	74	64
Enable financial aid	89	85	84	81	82	78	77	79	77	72
Institute at a convenient location	76	84	75	67	63	72	62	61	62	55
Excellent infrastructure	93	90	88	78	83	83	79	82	81	68
High standard hostel and mess facility	87	87	84	73	80	84	70	84	72	59
High speed internet connectivity	87	86	88	75	81	78	80	75	77	66
FACULTY	91	90	85	74	78	81	71	82	78	64
Well trained faculty	92	94	85	79	82	85	77	85	79	70
High quality research papers from faculties	94	90	87	72	75	79	65	82	78	68
Visiting faculty: Industry captains	86	87	82	70	76	78	71	78	76	55
TEACHING METHODOLOGY	89	87	86	76	78	79	72	80	77	63
Very good counselling	91	90	87	77	80	84	71	78	73	59
Excellent teaching methodology	92	90	89	81	81	84	76	85	80	64
Student faculty ratio: 1-1 interaction	84	82	82	72	75	66	70	74	74	63
Good industry exposure as part of program	88	87	84	72	75	83	72	83	81	65
SPECIALIST UNITS	76	69	72	62	62	52	59	60	61	51
Known for marketing program	84	76	81	64	70	57	62	65	67	56
Known for mass media course	64	54	63	53	51	40	50	45	45	39
Known for finance program	81	77	73	69	65	60	64	69	70	58
ADMISSION ELIGIBILITY	61	63	59	48	54	43	52	49	54	39
Prefer students with work experience	74	74	70	60	65	57	59	62	67	48
Admn. To engineers only	47	51	48	36	42	28	44	36	40	30

All figures in per cent



How diversifying among asset classes beats the bear

Mutual Funds
Dividend Funds Lose

Banks
Bargain Basement

Spending
Media Centres

VIVAN MEHRA

SPREAD THAT RISK

A little diversification goes a long way—especially in a volatile market. Here are some smart portfolio moves. MAHESH NAYAK

GURUNATH MUDLAPUR, Managing Director, Atherstone Institute of Research, is a happy man. The equity market has crashed and all around him are people who have lost huge sums of money. Yet, Mudlapur is sitting on a pile of cash. Despite working in the financial markets for 10 years, and being comfortable with the calisthenics of equity, Mudlapur follows a policy that lets him invest only a limited amount in stocks. The rest of his portfolio is split between short-term fixed deposits (FDs), real estate and gold.

If you had diversified your investment portfolio in a similar manner, chances are, you too would have been left fairly unscathed by the recent crash. At best, you will only have so much money in equity that you have earmarked as long-term investments; meaning short-term twists and bends in the Sensex leave your financial plans unaffected.

In the past one month, equity dropped sharply by 17 per cent, gold by 14 per cent and 10-year bonds by 1.3 per cent. Only currency made a 1.12 per cent gain, following the strengthening of the dollar due to the (Fed) rate hike. And real estate prices, although showing some signs of shakiness, can clearly only go up in the long term.

What do these numbers show? Basically this: although this last month has been exceptionally bad for almost all assets uniformly, for the most part, various asset classes have what is described as 'negative co-relation', that is, when one climbs, the other falls and vice versa. This co-relation need not always be negative; sometimes it is just a low co-relation, meaning that one asset class might not fall as steeply as another. Investors have to take advantage of this factor when planning their portfolios, and it is this process that is called portfolio diversification.

In simple words, it's a theory that your great-aunt has been reiterating since she dangled you from her knee—don't keep all your eggs in one basket. And it is not just a

question of safety. Diversification also helps beat inflation. Take, for instance, what most Indian investors typically do—they keep almost all their money in FDs or gold. There is no way an FD at today's rates is going to appreciate enough for you to beat inflation a decade or two hence. However, some money in equity will grow much faster and be of significant use over the long term.

"Nearly 67 lakh households in India with an average income above Rs 15,000 do not invest in any assets," says Ranjit Mudholkar, CEO, Financial Planning Standard Board. His explanation: most people are not confident enough of the products available today, and second, investors are shortsighted and don't think of future goals. "There is no classical model for diversification. It is all about a person's goals and needs, and systematically working towards achieving these," he says.

Planning Guide

To get these goals into place and to work towards them basically involves getting a financial plan together. And one of the basic rules of a financial plan should be diversified asset allocation. To start with, you need to know your present financial status, says Hemant Rustagi, CEO, Wiseinvest Advisors. This means getting a fix on how much income you have and how much expenditure.

Then, try and understand your goals and needs, dividing them into short-term and long-term goals, and also between needs and luxuries. Now, you are ready to invest your surplus cash into various assets, based on your risk appetite. Goal setting is especially important because the horizon of the goal and its dimensions will determine the asset class you use to save for it.

Goals and needs differ from person to person and time to time. A young bachelor might want to save

UMESH GOSWAMI

Atherstone Institute's Mudlapur has little reason to lose his cool. Even as the Sensex crashed and most people lost money, he has surplus cash. Reason: he has diversified into fixed deposits, real estate and gold

Different Strokes

Returns vary across different asset classes and taking advantage of this variation makes portfolios shockproof.

ASSET CLASS	ABSOLUTE RETURNS IN %			
	ONE-MONTH	SIX-MONTH	ONE-YEAR	THREE-YEAR
Gold ^	-10	15	54	125
Sensex#	-24.46	-2.62	29.3	165
Diversified Funds*	-21.68	-0.22	33.15	34.75
Debt Fund-Short*	0.51	2.61	5.14	6.17
Debt Fund-Medium*	0.29	1.48	3.8	7.63

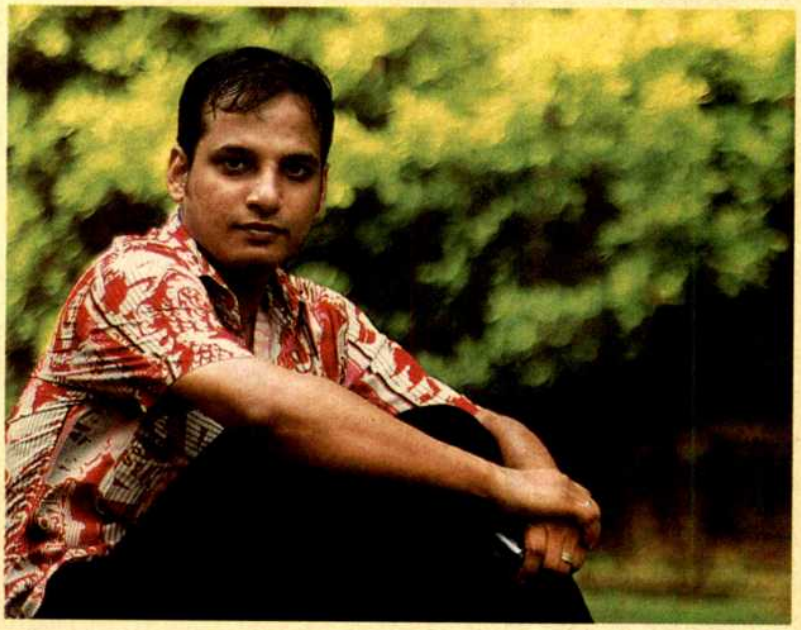
^ Returns as on June 9, '06 #Returns as on June 14, '06 *Average returns as on June 16, '06
Source: BSE, World Gold Council, valueresearchonline.com

Divide And Rule

Asset classes don't move in tandem—make the most of this.

Diversify your portfolio across:

- **ASSET CLASSES.** Don't invest predominantly in just gold or just equity. Instead, spread your risks across a basket of products. When equity crashes, your real estate investment will still look good, and your overall portfolio stays healthy
- **TIME GOALS.** Some investments should be long-term, others short-term. One mutual fund could be redeemed when your child is ready for college, while a pension plan could mature when you retire. When a plan matures, you can reinvest it again for a new goal
- **SEGMENTS.** Within an asset class, like equity, ensure your investment is spread across segments. Buy both large-cap and mid-cap stocks; buy across sectors without going overboard on, say, IT stocks. Within MFs, buy into equity and debt, some tax-savers, some systematic investment plans (SIP), etc.
- **FUNDS.** Don't stick to one fund house—buy schemes from at least two or three MFs so that you can take advantage of varying performances. Each fund house could have outperformed in one area, say, mid-caps or contras. This also exposes you to different fund management styles—aggressive or passive



SOUMIK KAR

Ex-call centre employee Joseph could have made a killing from the stock market when his Rs 10,000 investment soared to Rs 2.75 lakh. But his inability to exit the market at the right time left him with just Rs 75,000

Diversifying Across Currencies

Why diversifying is still not a viable option for Indians.

USING GLOBAL INVESTMENTS TO DIVERSIFY PORTFOLIO RISK HAS SO FAR PROVEN UNVIABLE for Indian investors. The $25,000 (Rs 11.5 lakh) limit granted by RBI (Reserve Bank of India) to put into overseas markets has been of no help thus far. As per RBI guidelines, investors can now only invest in fixed deposits (FDs) in overseas markets. However, with global interest rates being lower than those at home, why would an Indian investor choose this option over domestic FDs today? Only some countries like New Zealand offer a higher rate of interest, with the official cash rate in New Zealand being 7.25 per cent vis-à-vis the Indian reverse repo rate of 5.75 per cent. The higher rate does look attractive, but the huge currency risk involved has seen investors baulk at the prospect of parking money overseas.

As of now, you can try to diversify across currencies by investing in overseas securities through mutual funds. Two funds (Principal PNB Global Opportunity and Templeton India Equity) offer investments in overseas markets. However, despite the recent crash, the opportunities are still in India and, as experts point out, this particular avenue does not look attractive for the immediate future.

up for a car or his marriage while a middle-aged man with a son will be worrying about college fees and getting into his own house. Although both might have roughly the same income and expenditure patterns, the way they save and the assets they choose will differ. However, what will remain the same is that they have to diversify their holdings to protect their assets from the vagaries of the market or inflation.

Goals usually fall into certain basic areas like a child's marriage and higher education, your own travel plans, short-term goals like a car or house, and longer term ones like retirement planning and regular medical expenses. One thumb rule of planning: evaluate the present value and future value of the assets—both in terms of return on investment vis-à-vis inflation figures—such that the returns over a period of time beat inflation and help you achieve your goals.

Asset Classes

Various asset classes have their own peculiarities in terms of returns, safety, and investment terms.

Liquid. These are your cash assets—usually kept in a bank account. Liquidity is need-based, and although cash is a powerful asset, it should be kept minimal. Apart from living expenses, cash should also be kept aside for contingencies.

Equity. Investment in equity should be optimised and not maximised. Over a long period, it is the only asset with the likelihood of delivering maximum benefits to an investor. To get the most from equity, investment goals should be for not less than eight-10 years. On an average, equity has delivered returns of 12-15 per cent a year. If these returns are achieved within a year, book the profits and invest the surplus in a debt product.

Sony Joseph, a Mumbai-based call centre employee, invested Rs 10,000 about two-and-a-half years ago in equity. He made a killing on his investment, raking in profits to the tune of Rs 2.75 lakh, till the May crash saw almost all his profits eroded, leaving him with about Rs 75,000. Ideally, Joseph should have known when to exit and plough his earnings into other avenues. Says Joseph, who has since opened a phone shop: "I did make money in equity, but if I had been smart, I could by now have repaid part of the loan I took to set up my shop."

Debt. This includes FDs, provident

INTERVIEW: **Vidur Varma,** Country Investments Director, Citibank

"Long-term Fundamentals Remain Unchanged"

What bear strategies do you suggest for retail investors?

Market volatility is intrinsic to equity and one cannot predict short-term market moves. Over long periods, research has proven that equity delivers returns close to corporate earnings growth. But over shorter periods, this relationship is weak and equity prices are governed by sentiment, liquidity and events. Retail investors should, at all times, invest as per their risk profile and recommended asset allocation. As markets move through bull and bear phases, investors should continuously review and rebalance their portfolios.

UMESH GOSWAMI

Should risk-averse investors be moving into systematic investment plans (SIPs) now?

SIPs offer the benefit of compounding, as investments grow month-on-month. Plus you get Rupee Cost Averaging (investing regularly at different levels helps average purchase costs). In volatile markets, this helps you overcome the need to time the market and could reduce entry costs. SIPs work for investors across risk profiles, and across bull and bear phases.

Are valuations looking more reasonable today? Is this a time to buy?

There has been a broad selldown in the past few weeks sparked by investor worries on concerns like the US economy, volatile commodity markets, rising domestic interest rates, oil prices, etc. However, the economy's long-term fundamentals remain unchanged. Citigroup analysts maintain their positive stance and estimate GDP growth for fiscal 2007 at 7.6 per cent. Over long periods, research shows that equity delivers returns that are close to fundamentals—economic and earnings growth, company valuations, inflation, interest rates, etc.

Recently we saw all asset classes peaking simultaneously. Now all are crashing. Is this common? Shouldn't asset classes have negative or lower co-relation?

It is not common to see all asset classes run up simultaneously. A diversified portfolio is the most suitable way to reduce risk. Over longer time periods, equities, bonds, gold and real estate are not highly correlated and hence help in building a diversified portfolio. Commodities, real estate and equities tend to have a low correlation, but not a negative correlation, that is, one asset class falls more or less than the rest, but they don't usually move in opposite directions.

What is your outlook on debt?

Debt or bonds are an integral part of a portfolio. In a hardening interest rate environment, investors should look at funds that match their time horizon and could look at floating rate and fixed maturity plans to reduce interest rate risk on their portfolio.

fund (PF) and Public Provident Fund (PPF). These were your erstwhile high safety-high return avenues, but all assured return instruments are now sliding. Use them wisely to take advantage of tax savings, and make the most of existing interest rates till they last. Debt and equity usually move in opposite directions, and thus hedge each other.

Gold. This should ideally be bought as bars or coins and should form only about 10 per cent of your portfolio, especially as bullion rates go up. As an asset, gold usually moves alone and has no co-relation to either debt or equity.

Real Estate. It lags slightly behind equity, usually picking up a few years after equity. For the average investor, property is good for self-occupation and tax breaks, since the safety of your principal is high. As an investment too, it scores, since not only is there capital appreciation, there is the chance of rental income too.

Others. Commodities, derivatives and art are other asset classes that are slightly more complex and risky. Ideally, these are best left to experts, unless you have specialised knowledge.

As investment guru Peter Lynch says: "...there's a pretty good argument for diversifying into a wide range of equities, bonds and other asset classes if you think the market is in for tough times."

THEY DON'T ADD UP

Dividend yield funds have had a disappointing run. Should you still factor them into your portfolio or can you give them a miss? MAHESH NAYAK

REMEMBER THE BULL RUN? When it seemed that Midas had touched the market and even dross was quoting at a premium? Well, here's the surprise. Even then, long before the bulls went away, there was a category of investment that was not racing ahead of the benchmarks. This was the dividend yield fund. Even as other categories consistently outperformed the Sensex and their respective benchmark indices, dividend yield funds bucked the market. Worse, despite being defensive investments, their fall in the bear run has equalled the fall of index and diversified funds.

Does that mean dividend yield funds should be totally out of your portfolio? If you are not a completely conservative investor, then yes, you should be looking beyond dividend yield funds. But to find out more, explore this instrument a little closely.

In the past year, dividend yield funds have recorded an average return of 14 per cent, compared to 34 per cent from diversified funds. In fact, the category has underperformed the benchmark indices—during the same period, the Sensex rose 55 per cent while the S&P CNX 500 rose 47 per cent. Being a value-, not growth-oriented investment, this lag would have been forgivable if it had been accompanied by a stoical stand when the bears attacked. Unfortunately, during May, when the market fell from 12,672 points, dividend funds lost 11.6 per cent—almost as much as the 12.4 per cent fall in the riskier diversified funds category.

One explanation for this could be the absence of a unique benchmark for dividend funds. Says Shyam Bhat, Fund Manager, Principal Mutual Fund: "There is no tailor-made benchmark for dividend yield funds. And second, most stocks in the existing indices are growth stocks, therefore resulting in dividend funds underperforming these benchmarks."

Reason To Fall

In a rising market, the task of fund managers handling dividend yield funds is doubly complicated. Apart from yields falling, their investment universe becomes smaller. "The India story is oriented towards growth and in a bull market, players tend to give a high premium to growth stocks rather than value stocks, which is why value funds have underperformed as well as been ignored," explains Bhat.

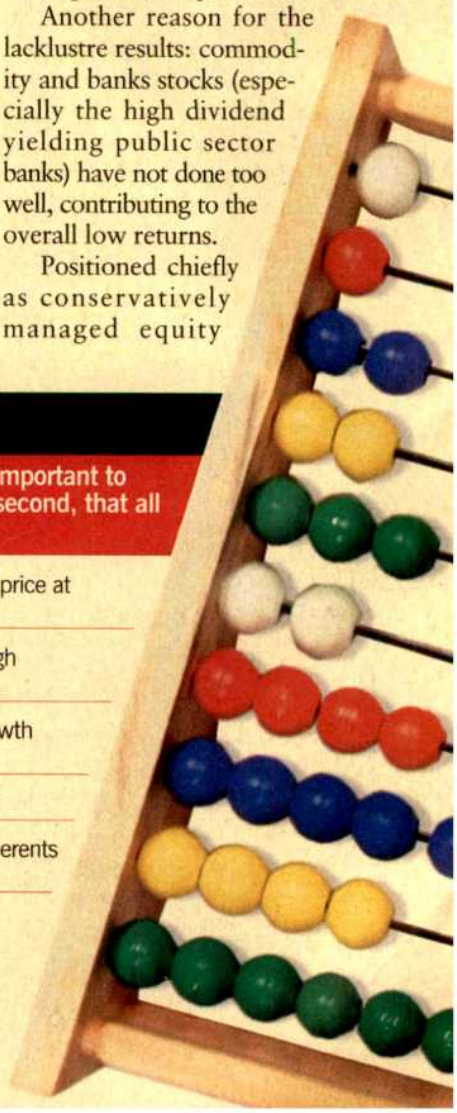
Another reason for the lacklustre results: commodity and banks stocks (especially the high dividend yielding public sector banks) have not done too well, contributing to the overall low returns.

Positioned chiefly as conservatively managed equity

D For Dividend

Investors show a tendency to turn conservative when markets crash. It's important to understand first, what a particular conservative strategy is all about; and second, that all such strategies need not necessarily pay off. A primer on dividend yields.

- Dividend yield is defined as the dividend per share divided by the stock's market price at the time of investment
- Dividend yield funds are equity mutual funds that mainly invest in stocks with high dividend yields
- Stocks with high dividend yields are typically those of solid companies where growth has plateaued and that now divide surplus earnings generously
- Fast growing companies use funds to expand and thus distribute lower dividends
- In the US, the leading dividend yield strategy is called the Dogs of the Dow—adherents pick five of the highest yielding stocks from the Dow Jones index
- Mutual funds pick dividend stocks according to certain pre-defined criteria, for instance, stocks with yields higher than that of the Sensex



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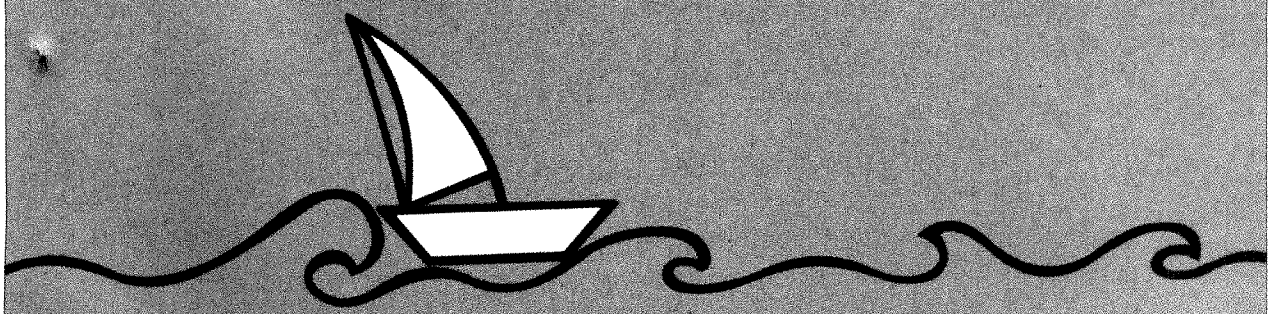

Invest wisely, sail smoothly

Market highs or lows; it doesn't matter. Sail smoothly with the DSP Merrill Lynch Systematic Investment Plan (SIP). Regular investments into eligible schemes, through a simple Auto Debit facility, lets you lower the risk and increase your potential for better returns.The table below illustrates how your investments would have grown if you had invested Rs. 5,000 systematically on the first Business Day of every month in DSP Merrill Lynch Equity Fund for the given period.

Compounded annualised returns of SIP investments as on May 31, 2006

Period of SIP	Total Investment	DSP ML Equity Fund		S & P CNX Nifty (Benchmark)		Outperformance v/s Benchmark
	(Rs.)	Value (Rs.)	Return	Value (Rs.)	Return	
Last 1 year	60,000	74,336	47.36%	69,358	30.31%	17.05%
Last 3 years	1,80,000	3,84,588	56.19%	2,95,318	35.01%	21.18%
Last 5 years	3,00,000	10,57,889	52.95%	6,49,664	31.53%	21.42%
Last 7 years	4,20,000	15,38,180	36.69%	9,25,700	22.20%	14.49%
Since inception	5,45,000	24,54,876	31.60%	13,07,026	18.50%	13.10%

All returns shown above assume reinvestment of dividend at net asset value on the ex-dividend date. They do not take into account entry load and hence the actual returns will be lower than those shown above. While comparing the performance of investments made through SIP's with the benchmark index, the value of the index on the days when the investment is made is assumed to be the price of one unit. As on May 31, 2006: S & P CNX Nifty – 3071.05. NAV of DSPML Equity Fund – 36.29. The since inception returns are calculated assuming the start date for SIP investments as May 2,1997. **Past performance may or may not be sustained in the future and should not be used as a basis for comparisons with other investments.**

For more information and a copy of the application form call • Mumbai: 6607 2855 • Vashi: 3918 2855 •1800-345-4499 (MTNL/BSNL Lines) 044-3048 2855 (all other lines) or contact your nearest investment advisor.

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11/27/2006

funds, dividend yield funds mainly invest in high dividend yielding stocks, where yields are typically higher than that of the benchmark. By nature, dividend yield stocks are value rather than growth stocks—value stocks enjoy steady, but low earnings growth and have lower P-E (price-earnings) multiples compared to growth stocks with their much higher P-Es. Growth stocks are expensive as the market is willing to pay a premium on the expectation of higher growth, whereas prices of value stocks are lower because the anticipation of growth is correspondingly lower.

In fact, just before the recent bull run, growth stocks were actually considered value stocks since they were available cheap. But with the market climbing swiftly to new heights, the rise in stocks' capital appreciation has been capped and yields too are at lower levels. "From 2003 to the first half of 2005, dividend yield funds were the flavour of the season because, apart from dividend distribution, they also gained from the rising market," points out Mihir Vora, Head (Equity), ABN AMRO AMC.

However, that is not the case today, and the schemes have mostly given disappointing returns. Says Hemant Rustagi, CEO, Wiseinvest Advisors: "As a concept, dividend yield funds are good. It is a defensive style of investing and protects your capital during a market fall. But in a growth market like India, with its herd mentality, dividend yield funds have fared poorly."

Totting Them Up

Not only did dividend funds buck the bull market, they have fallen as much as diversified funds during the bear run.

Fund	One-month	Six-month	One-year	Three-year
ABN AMRO Dividend Yield	-23.32	-17.09	*	*
Birla Dividend Yield Plus	-20.24	-11.07	10.76	42.11
ING Vysya Dividend Yield	-23.24	-10.99	*	*
Principal Dividend Yield	-21.18	-9.63	13.34	*
Tata Dividend Yield	-21.79	-9.72	12.69	*
UTI Dividend Yield	-20.18	-6.97	18.45	*
Average Return of Dividend Yield Funds	**-21.65**	**-10.91**	**13.81**	**42.11**
Average Return of Diversified Funds	**-21.65**	**0.26**	**33.84**	**51.77**

Absolute returns in percentage as on June 16, '06 *Fund has not completed the specific period Source: valueresearchonline.com

Optimal Use

Using strategy for dividends.

Selling secrets: Just time it

BUYING INTO DIVIDEND YIELD STOCKS could be used to create an automatic 'when to sell' mechanism for your portfolio. So, for instance, your portfolio objective could be to invest only in scrips with dividend yields double that of the Sensex. When the prices of these stocks start rising, dividend yields will fall. Since this goes against your portfolio objective, you will automatically sell. Thus, the entire market timing issue is taken care of, and your exit policy is in place. Most dividend yield funds use similar strategies.

Wrong Timing

Where does that leave the investor today? Does it still make sense to buy a dividend yield fund? Yes, says Ved Prakash Chaturvedi, Managing Director, Tata Mutual Fund, who says the product is well suited for investors in the present choppy investment scenario. Although they have largely underperformed, their true value is likely to come to the fore when the markets turn volatile. Dividend yield funds, then, might be just the thing for conservative investors, especially first-timers to equity. As Bhat says: "Dividend funds are great for investors who have been investing in bank deposits, fixed income and MIP schemes."

The fact remains, however, that Indian equity today is at the growth stage and the time might not be ripe for dividend funds to take off. "The concept is fairly new to India. With the focus now on growth, it will take time for value funds to mature," says Vora.

When the economy is growing, companies use money to expand and dividend distribution is typically low. Returns from capital appreciation are thus likely to be consistently higher than those from dividends. Says Vora: "Invest in dividend yield funds only for diversification." His advice: existing investors should expose not more than 15-20 per cent of their portfolio to dividend yield funds, just enough to mitigate risk in the present market. As for investors new to equity, they should have maximum exposure in growth funds and only 10-15 per cent in dividend yield funds.

That's sound advice, especially at a time when fund houses tend to go overboard with new launches, each claiming to be a unique solution for the volatile market.

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NEWS ROUND-UP

Loanly Questions

Family dilemma: Home loan on fixed or floating rate?

WITH INTEREST RATES AGAIN ON AN UPWARD TREK, BORROWERS of home loans are back to asking the age-old questions: Fixed rate or floating rate? Lower EMIs (equated monthly installments) with longer tenure or higher EMIs with lower tenure?

First, fixed rate loans continue to be the better choice because they are cheaper compared to what was prevailing before 2002. For instance, it is possible to lock into a 15-year loan at around 9-10 per cent. Says Mukund Jachak, Head Sales (Urban Housing), Bank of Baroda: "I foresee interest rates rising in the medium term (next two years) by between 100 and 125 basis points." Then, fixed rate loans are easier to compute and the borrower is always exactly aware of the liability at hand. So, fixed it is.

Onto the next FAQ: Ideally people should avoid very long-term loans. If your income allows it, higher EMIs with lower tenures are better. If you take a 15-year fixed-rate loan of Rs 1 lakh, your total outgo at the end of the term will be Rs 1,52,011 (at 9 per cent). If you opt for a 20-year loan, your total outgo will be Rs 2,15,935—a difference of Rs 63,000. This difference will matter if you have taken a large loan, and especially if you are likely to be nearing the end of your earning period towards the end of the loan tenure.

Tip: ask for the daily reducing method. This means prepayment of a portion of your principal doesn't attract prepayment charges, and from the very next day, interest is charged only on the reduced capital. You can thus reduce your tenure without increasing EMIs. However, there is another point of view that advises you not to be in a hurry to foreclose. Says K. Ramachandran, Territorial Head (Urban Sales), Bank of Baroda: "Since the present value of money is more, if you have spare cash and think you can make it earn at a rate that is two percentage points higher than your housing interest rate, enjoy the spread instead of foreclosing."

NITYA VARADARAJAN

Advantage Arbitrage?

AT THE HEIGHT OF THE MARKET'S VOLATILITY LAST MONTH, several funds decided to launch arbitrage schemes to reduce the risk of loss caused by price fluctuations in equity.

Arbitrage takes advantage of the price difference between spot and futures prices. So, an arbitrage fund simultaneously buys stocks and sells futures contracts for the same asset, and profits from the price differential. New funds such as SPrEAD from UTI AMC and JM Financial's Arbitrage Advantage belong to this category. However, Tata's Equity Management Fund is different. Here, apart from hedging, the fund can go short or long without having underlying securities. In this, it resembles the recent Reliance Equity Fund (it has the mandate to short sell in the derivatives segment). Says Hemant Rustagi, CEO, Wiseinvest Advisors: "If the fund manager goes wrong on his call, it can completely erode capital. The fund works for people who already have a portfolio and want an exposure in derivatives." The UTI and JM funds are simply ways to attract debt investors into equity. "They are risk-free, and provide an opportunity to investors to receive returns unaffected by the rise or fall of equity markets," says Rustagi.

The four existing arbitrage funds (JM Equity and Derivative, Prudential ICICI Blended, Kotak Cash Plus and Benchmark Derivative) come in the debt category but the new funds from JM and UTI will be in equity. This means that, at any given point, they have to invest up to 65 per cent in equity and equity-related products. This helps investors take advantage of the absence of tax on long-term capital gains (dividends stay tax-free).

The instruments are chiefly aimed at risk-averse investors whose other options are short-term bank deposits or fixed maturity plans, both of which these outperform. Over a one-year period, arbitrage funds have delivered 6.65-7.93 per cent in returns, while in the same period the Sensex gained 43.25 per cent. Clearly, while these should form a portion of a conservative portfolio, it makes little sense to jump into one now just because markets are volatile. It makes more sense to stay invested in diversified equity funds and reap long-term rewards.

MAHESH NAYAK

Can't Beat Equity

FUND NAME	ABSOLUTE RETURNS IN %		
	3-MONTHS	6-MONTHS	1-YEAR
Benchmark Derivative Fund*	2.71	4.54	7.92
JM Equity and Derivative Fund	2.45	4.32	7.66
Prudential ICICI Blended Fund-Option A#	3.18	4.64	7.75
Prudential ICICI Blended Fund-Option B ^	2.32	3.95	6.55
Kotak Cash Plus Fund	2.5	4.19	N.A.

Returns as on June 20, '06 *Returns as on June 14, '06 N.A.: Not available
#Equity exposure at least 51 per cent ^ Equity exposure is maximum 49 per cent
Source: MutualFundsIndia.com

Long And Short Of Debt

GO SHORT. NO, WE ARE NOT ASKING YOU TO GO SHORT IN EQUITY BUT to consider short-term debt market mutual fund schemes. In an interest rate scenario that's as volatile as equity, not many experts are betting big on long-term debt instruments. So where does that leave you? With short-term debt funds, says R. Swaminathan, Associate Vice-President (National Head-Mutual Fund), IDBI Capital Markets. Short-term schemes (those with a horizon between one month and six months) are an avenue that you should be looking at before any clear interest rate trend emerges for the long term.

"In a tightening liquidity scenario globally as well as in the domestic market, short-term floaters and liquid funds offer an ideal vehicle to park surplus money," says Swaminathan. And in case you want to latch on to existing debt schemes that are performing well, pick the ones with lower duration and higher cash exposure. This advice holds good for fixed deposits in the banking sector as well. Rather than taking on a deposit for the long term (one to three years), lock in your money for a maximum of 180 days; and reinvest the amount when the interest rates move up, as they are widely expected to.

In fact, the worst phase for the debt market seems to be over now and debt as an asset class could bounce back if the crude oil situation stabilises and commodity prices correct sharply in the coming weeks. (See *Upside/Downside*). And after what happened on Dalal Street in May, the time has certainly come for you to at least start studying the debt market so that you can exploit it for future investments.

ANAND ADHIKARI

Upside

- Expected returns beat bank deposits
- High liquidity; daily NAV declaration
- Tax advantage
- Capital protection
- Debt revival seen

Downside

- Interest rate risk, inflation to play spoilsport
- Credit risk in corporate debt instruments
- No clear direction of interest rates

Debt Tour

Long-term Plans

SCHEME	NAV (PER UNIT)	1-YEAR RETURNS (%)*	3-YEAR RETURNS (%)*
Principal Income Fund	Rs 16.64	4.33	4.18
Pru ICICI Income	Rs 20.54	2.91	3.12

Medium-term Plans

SCHEME	NAV (PER UNIT)	6-MONTH RETURNS (%)	1-YEAR RETURNS (%)*
Pru ICICI Gilt	Rs 13.64	0.70	2.3
SBI Gilt Fund	Rs 14.26	2.24	3.50

Short-term Plans

SCHEME	NAV (PER UNIT)	15-DAY RETURNS (%)	30-DAY RETURNS (%)
UTI Money Market Plan	Rs 19.91	0.23	0.52
Tata Liquid Plan	Rs 11.83	0.24	0.53

NAV-based absolute returns as on June 21 '06 *On annualised basis
Source: Market

Alternative Promise

IT COULD BE THE ERA OF ALTERNATIVE FUELS, WHAT WITH THE Petroleum Ministry announcing that it will make ethanol blending mandatory for petroleum retailers from October 2006. Importantly, it will be made mandatory for both the public and private sector players. This will be done in two phases—a 5 per cent blend from October this year and 10 per cent by October next year.

VIVAN MEHRA

Ethanol blending: Will it be a success story in India?

Globally, ethanol blending has been a big success story in countries like Brazil. In the case of India, it has been on the cards for a while and the present decision has perhaps given investors an opportunity to participate in the ethanol story. Karvy Stock Broking's Ambareesh Baliga thinks that a stock like Praj Industries (it makes capital equipment for the alcohol and ethanol industries) could be a good bet although he is more bullish on the sugar stocks (ethanol is a by-product). "The announcement was expected for a while and this is certainly for the better. Sugar stocks are surely a good pick now," he says. Baliga's picks: Bajaj Hindusthan and Balrampur Chini Mills.

In all, there are over 100 ethanol producers in India and they are present in states like Maharashtra, Uttar Pradesh, Tamil Nadu and Karnataka. Sugar stocks were fairly overheated during the peak of the bull run but look like a good buy now, post-correction. Actually make that 'better buys'.

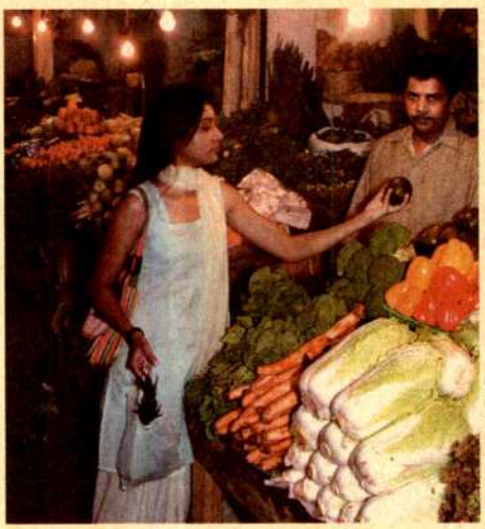
KRISHNA GOPALAN

BARGAIN HUNTING

Some solid bank stocks have fallen in the general melee. Is it time to forage for good deals? AMAN MALIK

BANKING STOCKS HAVE SEEN an unprecedented fall in the last one month, with some of the best performing stocks falling by anything between 18 per cent and 35 per cent. Why did this happen and how is it likely to affect the larger banking story in India? Should you exit your positions or stock up on such stocks for the long term?

Analysts and market watchers reckon that banking stocks fell primarily because there was uncertainty in the market regarding credit growth. Players were apprehensive that credit offtake would slow down following the Reserve Bank of India's expected but rather mistimed move to hike the reverse repo (the rate at which it sucks out liquidity from the system) and repo (the rate at which it infuses liquidity into the system) rates by 25 basis points on June 8. At least for the short term, this hike is likely to put the stocks of some public sector (PSU) banks under pressure. "PSU banks were especially hard hit by increasing yields on government bonds," says Kanan Shah of Networth Stock Broking. Shah points out that this pressure is likely to haunt PSU bank stocks at least till September.



RITESH SHARMA

Bargaining: But is it the right time?

In 2005-06, the banking sector, riding on robust credit growth (especially non-food credit), registered a growth of 32 per cent. For 2006-07, conservative estimates put the figure at about 25 per cent. Private sector banks such as ICICI Bank which are not affected by yields on government bonds (the bond portfolio of most public sector banks is skewed towards what is called the available-for-sale category, thereby, making the banks vulnerable to interest rate hikes) are expected to register impressive growth as well. And even Wall Street analysts are bullish on a stock like HDFC Bank.

Among private sector banks, ICICI Bank and UTI Bank look good, while in the mid-cap space, Federal Bank and Karnataka Bank are favoured. Among PSU banks, Bank of Baroda, Union Bank of India and Punjab National Bank are fair long-term plays (they are best avoided as short-term ones).

In The Bank

The asset quality of banks has improved significantly. Plus adjusted book values are low, making valuations attractive.

COMPANY	MAR. '06 P-E	MAR. '06 P-BV	JUNE 21 CMP (Rs)
Andhra Bank	8.07	1.35	60.55
Bank of Baroda	10.14	1.07	198.7
Bank of India	9.17	1.33	105.7
HDFC Bank	27.82	4.57	708.75
ICICI Bank	20.64	2.26	494.75
Punjab National Bank	10.32	1.64	317.55
State Bank of India	11.56	1.84	739.75
UTI Bank	20.47	3.44	264.1
Union Bank of India	9.12	1.5	93.8

P-E: Price-Earnings Multiple P-BV: Price-Book Value CMP: Current Market Price Source: BSE, CMIE

Bankex Moves

PINAKI PAUL

Source: BSE

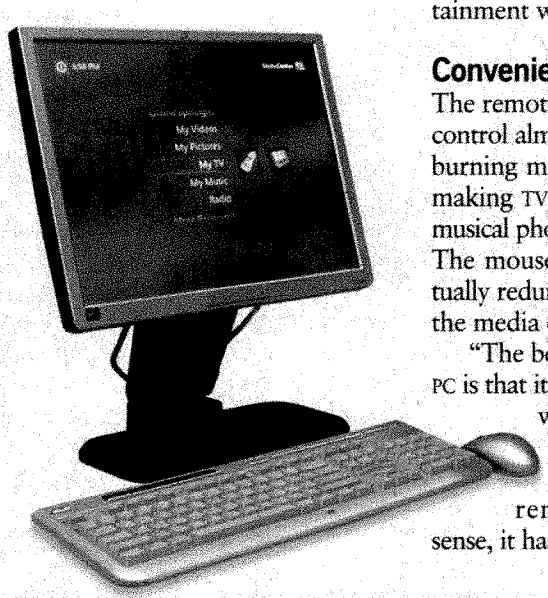
CENTRE OF FUN

Can the new media centres truly take over your life and have you throwing out all your other gadgets? KAPIL BAJAJ

GO OUT TO BUY SOMETHING AS basic as a watch and it'll be surprising if you get home with a dial on your wrist that simply tells you the time. Chances are you'll get something that tells you the phases of the moon, the tides, your blood pressure, tracks dates, plays music and checks your pulse as well. Geeks crow to the world that this is the age of convergence—and that no electronic doodad worth its chip performs one single function any more.

Leading this generation of convergence products is the personal computer (PC) that does it all—CD/DVD player, CD/DVD writer, radio, TV, photo album, photo studio, movie editor, music editor... all this without any heavy investment in hardware and software, and without compromising on the basic functions of the PC.

As with most things computer, it was Microsoft that popularised the process of turning the PC into an entertainment hub. The company's Windows XP Media Center Edition (MCE) is today the most popular operating system among home techies. Essentially, the MCE is an evolved version of the Windows XP operating system. You get all the features of Windows XP so that your PC continues to be your computing and internet tool, plus you can turn it into a TV, radio, or DVD player. Invest a little in some hardware accessories and get a remote control, and you can sit anywhere at home and control all home entertainment with it.



Convenience Plus

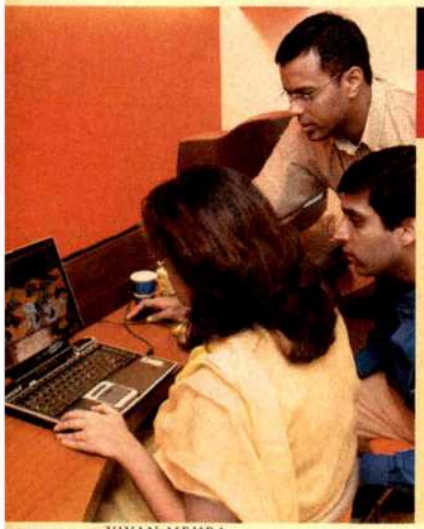
The remote control can be used to control almost all applications from burning music, video and data, to making TV recordings and putting musical photo stories on to CD/DVDs. The mouse and keyboard are virtually redundant when you're using the media capabilities of the PC.

"The beauty of a Media Center PC is that it enables you to shift between various entertainment streams on a single screen through a remote control. In that sense, it has enormous convenience

How They Stack Up

Branded media centres may be more expensive than assembled ones but are also more feature-rich.

	Entry level	Middle level	Top level
Media Centre PCs	Intel Premium 4 processor, 80 GB SATA HDD, 256 MB RAM, combo drive, full function TV card with remote, onboard integrated GMA 900 graphics, DVMT, AC97, 3D Audio, 10/100 LAN, optical mouse, keyboard, 19" CRT colour monitor	Intel® Pentium® D Processor; 512MB DDR2; 160GB SATA; 16X DVD±RW/±R; full function TV card with remote; 3D PCI-Express Graphics; wireless multimedia keyboard and optical scroll mouse, 17" flat screen colour CRT monitor	Intel® Pentium® D Processor 820; 1024MB DDR2; 160GB SATA; 16X DVD±RW/±R; full function TV card with remote; Pro PCI-Express Graphics (with DVI capabilities); wireless multimedia keyboard and optical scroll mouse, 21" flat screen colour LCD monitor
Price	**Rs 30,000-38,000**	**Rs 55,000-60,000**	**Rs 1,00,000+**
AV systems	21 inches flat CRT TV: Rs 6,500-8,500 VCD-CD-MP3 player: Rs 2,000-4,500 Video game console to be used with TV: Rs 900-1,250 1600W PMPO room theatre system: Rs 5,000-6,000	29 inches flat CRT TV: Rs 17,000-27,000 DVD-WMA-MP3-CD player: Rs 9,000-12,000 Double-screen WiFi gaming system (portable, standalone): Rs 5,000-7,000 DVD home theatre system: Rs 10,000-12,000	21 inches flat LCD TV: Rs 30,000-35,000 DVD-WMA-MP3-CD player: Rs 18,000-22,000 Sony PlayStation, Microsoft Xbox to be used with TV or PC: Rs 12,000-23,000 Wireless home theatre system: Rs 28,500-60,000
	Rs 14,400-20,250	**Rs 41,000-58,000**	**Rs 72,000-1,40,000**



VIVAN MEHRA

Gizmo Basics

All you need to get that entertainment hub up and going:

- PC with Windows XP Media Center Edition
- Monitor or TV
- Keyboard
- Mouse
- Remote control and remote control receiver
- Internet connection
- Cable TV connection
- TV tuner card
- Cables to connect the various components

value," says P. Krishnakumar, Country Category Manager (Consumer Desktops), HP India, whose range of Pavilion PCs is the largest selling brand of Media Center PCs in India.

Then there's the heavily advertised feature of Media Center—its ability to pause live TV, which means you can use your remote control to pause a TV programme (live or not) for some time and then resume watching it at a later time. No more rushing out for a drink or popcorn during commercial breaks. How exactly this works is in the realm of the nerds, what's important is that it does.

Hardware Or Software?

"Technically, Windows XP MCE is an operating system that's closely tied to a certain hardware configuration. So, it's available with select high-end PCs only," says Manikandan, General Manager (Sales and Marketing—IT Division), LG Electronics India.

But does this mean the Media Center is nothing but a souped-up PC that allows you to pause live TV programmes? Some computer dealers swear this is the case. The other problem, says Rajesh, a computer dealer in New Delhi, is that there are complaints about the TV tuner card. "I have hardly sold any Media Center machines.... The tuner card doesn't give you all the channels offered by the cable guy." The way around this problem is to buy a decent card. At any rate, although Microsoft has tied up with hardware suppliers to have MCE preinstalled on PCs, you will in most cases have to buy the TV tuner separately.

You could choose to make your PC a media centre all by yourself —with an upgrade. Get a Pentium dual-core processor (2.8 GHz, 2x1MB L2 cache, 800 MHz FSB), 2x1MB cache, 512MB RAM, 160GB hard drive and a DVD-rewritable drive. And, of course, a TV tuner card, and you're in business. However, as Krishnakumar says, a souped-up PC may not work as well as a Media Center PC. "For example, the HP Pavilion range comes with high definition DVD playback, which an ordinary PC does not support. Then, there's the DVD writer and rewriter and an optional and removable Personal Media Drive," he adds.

Tech Specs

The advantage of a Media Center PC is that it also allows you to connect other entertainment devices (home theatre, stereo, TV, etc.) to your PC. George Paul, Executive Vice President (Marketing), HCL Infosystems, explains how this allows you to turn your television in another room into a Media Center: set up a wireless network at home through Media Center Extender or Xbox 360, which comes with everything you need for making a wireless connection using a Microsoft-recommended dual band, wireless. HP Pavilion m7382IN model, for example, is available with a Wireless LAN (802.11 b/g). "Wireless technology can also help households with more than one PC to share a single internet connection, plus data and resources like printer and scanner without running cables," says Krishnakumar.

There's more in store: you could connect your mobile phone to your Media Center. Says Rishi Srivastava, Director (Windows Client Business Group), Microsoft: "This means downloading pre-recorded movies or matches and watching them while on the move." And then Microsoft has launched a free electronic programming service, which tells you what's playing on which channel, so you can view and record shows at your convenience.

Can the Media Center turn into a digital entertainment hub and supplant your other AV products? Says Girish V. Rao, Vice President (Sales and Marketing), LG Electronics India: "PCs come low on the list of durables that most Indian households buy but a Media Center certainly points to the future."

The future looks bright, according to Microsoft's Srivastava: "In the last eight months, 80,000 Media Center PCs have been sold in the Indian market. That's a good beginning." Given that the geeks are convinced the future is in convergence and networking, it looks as though Media Center PCs are here to stay. But if you are old-fashioned, don't throw away your other entertainment devices yet—we are not yet convinced that convergence has come up to speed.

Talk Gets Cheaper

With handset prices also crashing, mobile telephony sweeps across the country.

THE MOBILE TELEPHONE SUBSCRIBER BASE IN INDIA crossed the 100 million mark last month. From 55 million in May 2005 to 101 million in May 2006, connections have grown 84 per cent, forcing handset vendors to put more thought into low-cost phones aimed at first-time buyers.

And while the prices of handsets have fallen, features have increased. The cheapest phones continue to come from Motorola, with a model available for Rs 1,549 (through a bundled deal with Hutch). And, of 17 models in its portfolio, Motorola has six for less than Rs 4,000, of which four have colour screens.

LG, which does not make black and white phones, has two models below Rs 4,000, and plans to double this by year-end. LG's B2050, priced at Rs 2,990, apart from having a colour screen, is GPRS and Java enabled

Touching Bottom

BRAND	CHEAPEST MODEL	NO. OF MODELS < RS 4K
Samsung	N710; Rs 2,675	5* (4 with colour screens)
Motorola	C113; Rs 1,549	6 (4 with colour screens)
LG	B2050; Rs 2,990	2 (both colour screens)
Sony Ericsson	J100i; Rs 2,895	3 (all colour screens)
Nokia	1100; Rs 3,019	6# (3 with colour screens)

*Samsung's X160 costs Rs 4,010
#Nokia's 1600 costs Rs 4,209
Prices valid for Delhi
Source: Companies

and comes with a free headset.

Says H.S. Bhatia, Product Group Head (GSM), LG: "Prices are down because of lower taxes and duties, cheaper technology, and increasing scale of production." Samsung's N710 costs Rs 2,675, weighs a mere 76 g and has features like rich backlight, long talktime.

In fact, Samsung has five models below or around Rs 4,000. Market leader Nokia's cheapest model, 1100 (now, also made in the company's plant near Chennai), is available for about Rs 3,000, and the company has six models below or about the Rs 4,000 mark, three of those being phones with colour screens.

According to Lloyd Mathias, Director (Marketing-India, Mobile Devices), Motorola, with the spread of mobile telephony, the number of entry-level consumers is increasing. Not that these consumers are any less sophisticated. "Customers at the bottom end are becoming more demanding now." Sony Ericsson, for instance, now has three low-cost instruments. Prices are likely to fall further. Catch us complaining.

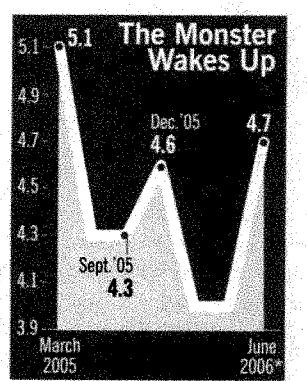
SHALEEN AGRAWAL

Sip It Slowly

CONSIDERING THAT ALMOST everybody is advising that investors change over to systematic investment plans (SIPs) to tide over the volatility in the market, it comes as something of a surprise that fund houses have chosen to increase entry loads on SIPs for equity schemes with effect from June 1. At least three leading fund houses—HDFC Mutual Fund, Prudential ICICI and Franklin Templeton—have increased loads to 2.25 per cent from the earlier nominal 1 per cent. Or perhaps they have done it precisely because investors are now shifting to SIPs. At any rate, SIPs continue to make most sense for the average Joes. As Dhirendra Kumar, CEO, Value Research, says: "The only way to stay focussed on your financial goals is to choose a good fund and invest regularly." Staggering your investment over the year helps you average costs, eliminates the need to time the market, and helps navigate violent market shifts.

SHALINI S. DAGAR

Trend-spotting



PINAKI PAUL

Inflation figures in per cent Source: RBI
*Till June 3

IS THE I-MONSTER COMING back? The pass-through effect of high crude prices on the domestic market as well as surplus liquidity has pushed inflation up from 4 per cent (in early 2006) to close to 5 per cent. The Reserve Bank of India's target for 2006-07 is 5-5.5 per cent but some more oil-action may see this breached. The saving grace: "Oil is not fully captured in domestic inflation figures," says Rajesh Mokashi, Executive Director, Care Ratings. It might not yet be a worry, with the economy growing robustly (8 per cent), but a sub-standard monsoon (it started well this year, then faltered) could put paid to that. Then, global crude and commodity prices are soaring. It is only a matter of time before the impact of that is felt in India. ■

ANAND ADHIKARI

COMMODITY MARKET: WHAT IS HAPPENING IN INDIA

The Indian economy has witnessed robust growth in the last decade on account of services sector; however, agricultural sector still remains the backbone of the Indian economy. Roughly 60 per cent of the Indian population is depended on agriculture sector Vibrant commodity market in India will not only benefit the farmers but also the manufacturing sector that is depended on it to gain significant price gains.

Trading in commodity derivatives is not new to India. The Indian commodities future market had a long and checkered history. The oldest by far seen is the Bombay Cotton Traders Association, which started to trade and take contracts as far back as 1875. After India attended independence, the constitution brought in the concepts of the stock exchanges and future markets under the union list.

To give a new trust to future trading in agricultural commodities specially, the National level exchanges are offering online trading facilities on all the commodities permitted by the government for future trading. They have also established terminals across the country with a hope to create a national market for the commodity derivatives. There are currently 2 major commodity exchanges NCDEX (National Commodity and Derivative Exchange) and MCX (Multi-Commodity Exchange). Gold, Silver, Agri-commodities including grains, pulses, spices, oils and oilseeds, mentha oil, metals and crude are some of the commodities that the exchanges deal in.

The major players in the Indian commodities market include the apex bodies, which are based on agro trading. The name of exchanges and the commodities, which are traded in the future contracts in India, are stated below.

Exchange and commodities in which future contracts are traded in India.

Sl. No	Exchanges	Commodities
1.	Indian pepper trading and spice traders association (Kochi) IPSTA	Pepper (both domestic and international contract)
2.	Vijaji Beopar Chambers Ltd., Muzaffarnagar	Gur, mustard seeds
3.	Rajdhani oil and oil seeds exchange, Delhi	Gur, mustard seeds and oil cake
4.	The Bombay Commodity Exchange Ltd. , Mumbai	Oil seeds (castor oil international contracts)
5.	The East Indian Jute and Hessian exchange Ltd.	Hessian and sacking
6.	National Board of Trade, Indore.	Soya seeds, Soya meal, rapeseed etc
7.	National Multi Commodity Exchange of India, Ltd.	Several commodities
8.	National Commodity and Derivatives exchange Ltd., Mumbai.	Several commodities
9.	Multi commodities exchange, Mumbai	Several commodities
10.	Bullion Exchange Ltd. Jaipur	Mustard seed complex

The major players in the broking arena include ICICI direct.com, Kotak Commodities, Remount commodities to name a few. All of them have operation across the county and are located in various cities in the country.

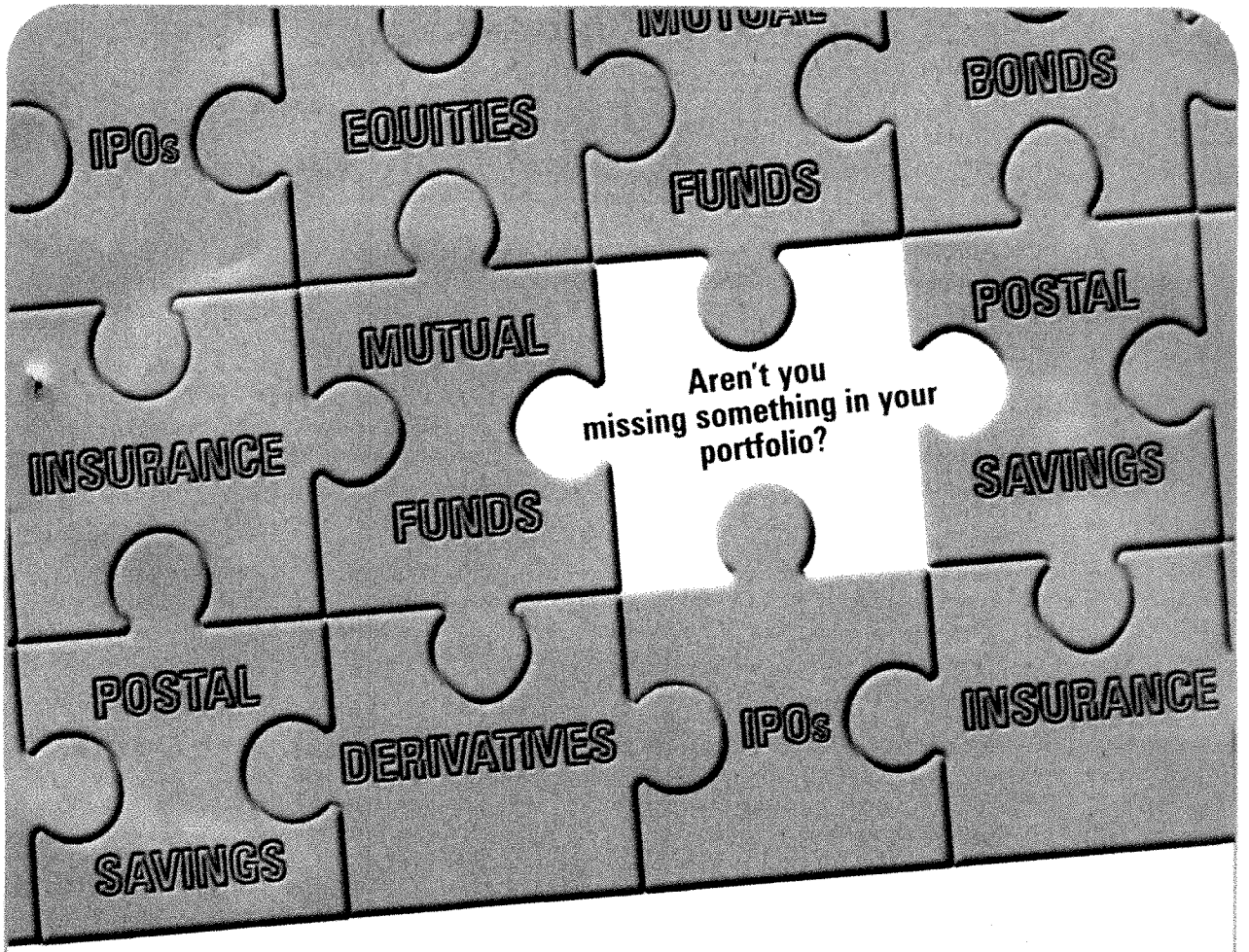
Dr. Abhijit Dutta is a member of Faculty in Finance Area at ICFAI Business School at Bhubaneswar.
Email: abhijitdutta069@gmail.com

OPPORTUNITIES IN INVESTING IN COMMODITY MARKET...

Trading in commodities futures is quite similar to equity futures trading. NCDEX and MCX are the two most popular national level online exchanges offering futures trading in commodities in India.

Commodity market is a promising avenue for your investments offering huge opportunities and enabling you to diversify your portfolio. With the least margin requirement being as low as Rs 10,000, it is suited for small investments also. The following table illustrates what you could have earned on an investment made in commodities on a monthly basis.

Commodity	Strategy	Margin	Entry price on 31st May	Exit price on 7th June	Profit	% Monthly Return
Guarseed June	Buy	33,915	1,785	2,150	36,500	108
Chilli June	Sell	51,400	5,140	4,355	39,250	76
Silver June	Sell	88,200	19,600	17,600	60,000	68
Gold June	Sell	117,600	9,800	9,280	52,000	44
Chana June	Buy	41,225	2,425	2,580	15,500	38
Urad June	Buy	107,540	2,830	3,130	30,000	28
Turmeric June	Buy	34,950	2,330	2,410	8,000	23
Refined Soya oil June	Sell	37,530	417	409	8,000	21
Pepper June	Sell	8,578	6,599	6,434	1,650	19
Sugar June	Buy	22,980	1,915	1,950	3,500	15
Brent Crude June	Sell	42,926	3,302	3,265	3,700	9
Wheat June	Buy	8,720	872	878	600	7



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LATEST TRENDS IN COMMODITY MARKET

Gold: Gold has been weak for more than last 15 days. Heavy sell off, stronger dollar due to fear of US interest rate hike and bearish technical indicators helped the yellow metal to remain on the lower side. Higher prices also resulted into low physical demand globally. Prices are likely to go further down if internationally spot prices can breach $600. However, any weakness in dollar can trigger some recovery.

Silver: Silver prices too maintained the weakness for quite sometime. The bears got the hold of the market due to improvement in the dollar; bull liquidation and sharp fall in other base metals. Price movement remained highly range bound with a weak undertone. Closing below $11 should trigger further selling. However, any recovery in the base metals may lend support to silver prices also.

Crude oil: Crude oil prices remained volatile for the last few days. After going up to $72 in the US market prices fell due to indications that tension between Iran and West may cool down. Adding to this, surprising increase in US energy stock and killing of Al Qaeda leader Musab Al-Zarqawi also help the crude prices to ease. However, prices should again gain momentum due to continuous global tensions and positive sign from the technical indicators.

Pulses: All major pulses in 2006-07 are in bullish phase. Times to time one or other factors are responding differently to take prices in any direction. Chana, which has appreciated by 60 to 70 per cent over previous years, continue to run in northward direction. Trading corporation of Pakistan issued tender for supply of Chana (approx. 1 lakh tones) has lead to jitter in the market and spot price even reached to Rs 2485 per quintal at Lawrence Road (New Delhi). Such big quantity will have an impact during days to come. Meanwhile, abolishing of import duty (10 %) on pulse has cause a check in speculative run. Facts of empty pipeline of Chana and Urad are non supportive of bearish move. Effects of reduction of import duty are felt more pronounced in Tur and Masoor.

Spices: Spices are known for their flavor and if preparation is of Indian originative taste a bit too spicy. On the price front majority of the spices are in range bound trading after having good run in upside direction this year giving better return to farmers. Exception to this is Jeera and Pepper. These to spices operate in lower side mainly due to high inventories with exchange-designated warehouse along with poor quality. Over the last few years due to inability to export in international market happen due to non-competitive price, stocks pilled up has build up with private entrepreneur. On the other hand price of spices like Red Chili (70 - 80 %) and Turmeric (15-20 %) has appreciated significantly over previous year owing to damage cause due to excessive as well as deficient rainfall giving good realization to farmers. This may lead to better acreage this year.

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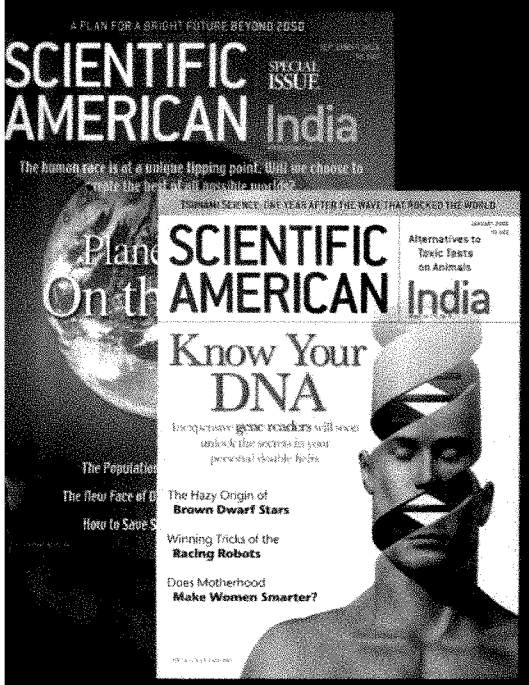

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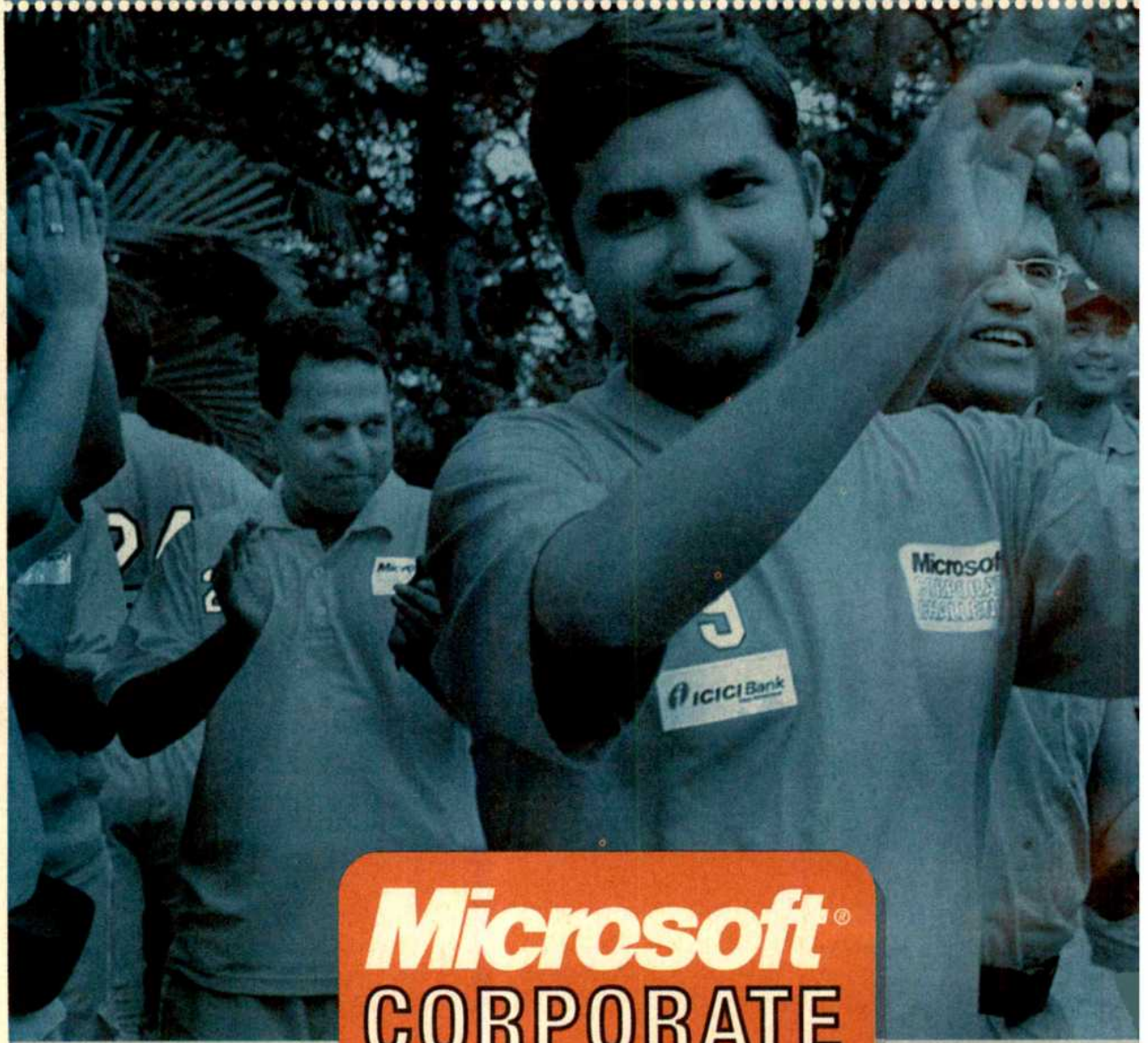

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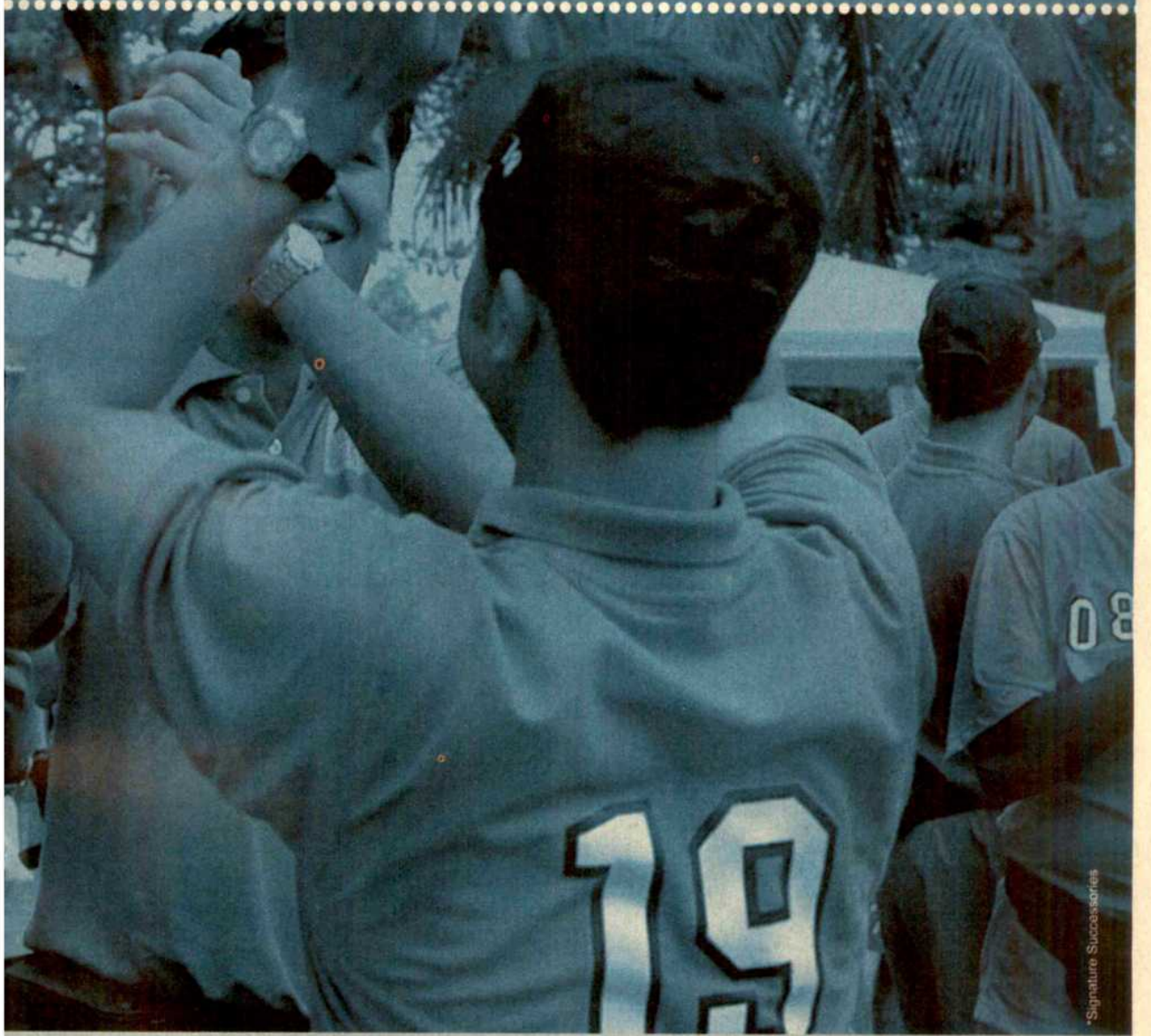

ts second edition this year, the Microsoft Corporate Challenge is India's first inter-company team-building evised competition. Based on a hugely successful international format, the competition will pit 50 teams from ia's most respected corporates against each other in the ultimate stress test of physical agility and endurance, ategic acumen, and above all, team spirit. So get ready to run, row, cycle, construct, decipher and decode. And ow this - that companies who bond together will outperform those characterised by individual brilliance. So es your company really have what it takes? Are you ready to roll?

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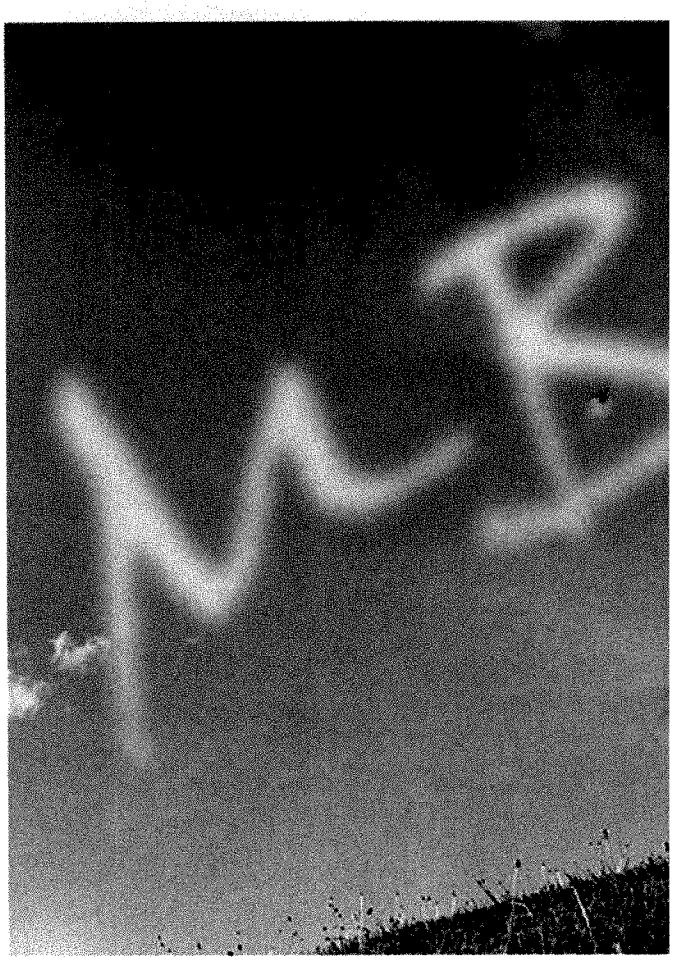

MBA institutes train students for the corporate life with powerful programs, well-equipped campuses and high-end technology

In the corporate world, moving up the ladder is what matters the most. And the road to the top favors those who are armed with an MBA. No wonder an MBA is one of the world's most popular, sought after and expensive courses today.

An MBA program should be seen as an investment, in terms of both time and money. Such a course at Stanford Graduate School of Business costs a whopping $60,000. Matters in India are not exactly inexpensive either. An MBA is for those who know what they want. In fact, most people who apply for an MBA are sure about what they intend to do in life. While most are looking for a better pay packets, or vertical growth, there are others who want to be trained to begin their own business. Others just want to jump careers.

The focus of an MBA is not about specializing in a particular field. Instead the objective of most Ivy League institutes such as Stanford and Harvard is to equip students with skills to last a lifetime. A student in an MBA course is therefore rarely a fresher there. The average age of MBA students at Harvard, for example is roughly 27 yrs. In India, this is hardly the situation as students are encouraged to enroll for a management degree right after obtaining their bachelor's degree. Worldwide, there is also a huge percentage of students who earn their MBA degree through part-time or distance learning courses.

GEARING UP FOR THE CORPORATE LIFE

There is almost a global consensus on what an MBA degree is made up of. Most courses include training in basic business skills which are applicable to practically everything one does in life. The faculty of an institute aims at broadening a student's horizon, and gives her a glimpse of what she will be dealing with in future. Therefore a major part of the course includes equipping every student with skills in finance, marketing and management.

An MBA graduate is not expected to be a storehouse of information and data. Rather, attitudes, and approaches are instilled, to prepare a student to face a wide range of situations and problems alike. Preparing a business plan, being able to work with different people and making every project a success, creating and delivering effective presentations, working on strategies, developing leadership skills...the course brings in various elements of the work life into everyday learning so that a student gets tuned into the realities of corporate life.

Most reputed institutes have a close network with companies and the different industry associations. This helps them bring in industry leaders, business thinkers and international academicians to come and give lectures to their students. The network also provides avenues for the students to bag plum placements.

GOING HI TECH

With a substantial dependence on the Internet for information, it is inconceivable for an MBA institute not to provide students with the necessary infrastructure. Students using laptops in classrooms as well as for all their projects, and making use of Wi-Fi to connect to the Internet wirelessly in the campus are fast becoming a standard in MBA institutes. Many institutes also deliver part of the curriculum through online learning modules, and audio-visual equipment.

Of course, the availability of technology to aid learning also opens up issues of its misuse by the students. But the convenience that the tech aids bring in and the opportunities that it unearths is huge enough to discount the fears of misuse.

NEVER TOO LATE: MBAS FOR WORKING PROFESSIONALS

It's an accepted fact that the value a person with work experience derives out of an MBA program is much more than a student with no professional exposure. It is easier for a student with work experience to grasp what is being taught and relate to the concepts in a more involved manner. When a person has had some work experience, he is also more tuned into the expectations from his career and what needs to be done to fulfill them. This awareness leads him to pursue an MBA program which helps him better his career prospects.

A lot of working professionals enroll for MBA programs. Many take a break from their work to do the program, while many pursue it while continuing to work.

A number of institutes have begun designing tailor made for those who seek to enrich their outlook, without having to take study leave. For example, IIM Indore and XIM- B offer programs termed as 'Executive Post Graduate Program'. The curriculum of such a course is almost similar to a regular, full time MBA. It includes the usual MBA syllabus—finance, statistics, and management, marketing and information systems. What sets the part time course apart from the rest is the added advantage of working with experienced professionals. Much of the course is delivered in small concentrated doses. As these students study under time-constraints and tiring schedules, the course is structured to include that which will specifically assist them in their careers.

But a course which is likely to get one a higher pay and a better job is unlikely to come at an easy price. Part time courses are as tough as full time ones. Juggling a job as well as doing an MBA makes the package even tougher. Yet, the value added to one's life and resume makes it completely worth every minute of racing from office to campus.

Technology it seems too comes to aid the determined. With the introduction of VSAT technology, the benefits of a grueling MBA can be enjoyed without having to shuttle between classrooms. It equips institutes to beam lectures, discussions and presentations to students sitting across the country. Hughes DirecWay has tied up with various institutes to deliver such programs. The institutes presently offering this facility include IIM, Kozhikode, IIM, Kolkata, XLRI, Jamshedpur and IIFT, Delhi.

And then there are specialized MBA courses also offered by certain institutes. The Sloan Fellowship at the London School of Business is designed strictly for senior and experienced managers. The objective is to give insights into the latest updates on marketing and strategizing. Special courses on human resource management, finance, etc are also available in many institues.

The determination with which students study to clear the annual CAT exam, is a good indicator of how valuable a MBA degree is considered today in India. With a growing number of institutes offering different types of programs, a student needs to be able to figure out the best one that suits his career goals as well as abilities, skills and education background. A premier B-school is everyone's dream, but India now has many world-class institutes that deliver equally promising and compelling programs. It is up to the student to make the best of a program. •

ASIAN SCHOOL OF BUSINESS

A unique aspect of delivering the curriculum at the Asian School of Business (ASB) is the process which can be characterized as more of learning than of teaching. The faculty, the greatest strength of ASB, plays the role of a facilitator, an arbiter, a guide, a coach, more than a teacher. Each faculty:

- defines the topic;
- identifies an extensive range of reading materials
- breaks up the class into small groups
- assigns each group being with certain aspects of each topic to be thoroughly researched. The students formulate their findings and recommendations and defend them in front of the class. The member of the faculty intervenes only when it is essential to ensure that the discussions are in focus.

Such an approach fosters initiative, self-confidence and communication and inter-personal skills of the students. It also hones the problem-solving skills, developing a managerial mind-set in each student.

In addition to the core full-time faculty, practicing professionals and academicians from leading institutions have delivered courses and offered seminars.

Currently, the first batch of 30 students is undergoing the industry internship. That there has been 100 % paid internship with leading companies in India and abroad for the first batch is a rare honour for a management school.

The School is functioning from a centrally air-conditioned facility within Technopark. The School has acquired about 20 acres of land to accommodate academic blocks, hostels and other support services. By end 2007 this facility will be commissioned.

Applications are invited for admission to the two year full-time PGPM 06-08. For details please contact: Tel: 0471 5579001/2 Email: wilma@asb.edu.in Website: www.asb.edu.in •

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IMS GROUP

We zealously stepped into the cesspool of the new millennium with a global mindset and a vow to be the best of the best. Be it the science of space, information technology, or agriculture, India finds itself among global front runners and certainly looks forward to the lead the rest some day", observed Shri **Naresh Aggarwal**, Minister of Transport, Government of UP and Chairman IMS Group of Institutions while talking to our correspondent recently. Here are excerpts from the interview:

Correspondent: Indian education vis-à-vis global education. Where are we headed?

Naresh Aggarwal: Indian education is certainly taking bold strides with a global mindset and reorienting itself as per industry demands to excel and stand upright in the ever demanding global environment. The academic curriculum too, after brainstorming, surveys and R & D has been revisited. Value additions like foreign languages, psychometric testing, soft skills, personality development, yoga, attitude building, values and ethics, IT, corporate governance, etc. have also been incorporated into the system.

How does one realize his aspirations in an ever competitive environment when we talk of concepts like 'the 24x7 work culture' and high expectations at the work place?

Naresh Aggarwal: Where there is a will, there is a way. We must carefully choose our focal point and give our best to achieve it. Money, success and fame are bound to follow. The 24x7 work culture is a new emerging thought envisaged for keeping pace with the rest in fast track organizations. But this does not mean that we don't need breaks. An individual needs to relax both physically and mentally to recoup one's energy and start afresh.

In addition to the ever demanding political career, you are at the helm of a vibrant group of educational institutions, IMS. How do you perceive yourself in diverse roles?

Naresh Aggarwal: With its unique trilogy of students, faculty and learning resources, IMS produces some of the best human capital in the country. This keeps my motivation level high and gives me immense satisfaction.

Any message for the students aspiring for bright careers?

Naresh Aggarwal: The level of preparedness should be like that of a brave soldier, always ready to face the onslaught—studies, commitments, deadlines or anything else. •

IDP EDUCATION, AUSTRALIA

Choosing the right course at the right university, B-school or institute could be a challenge. Henry A S Ledlie, director, India, IDP Education Australia, an organization owned and represented by all Australian Universities, has some tips.

What are the main advantages that Australia offers for Indian students?

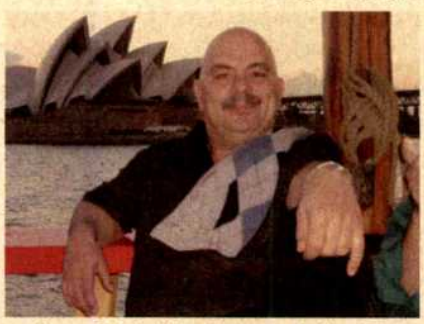
a) It works out 40-60% cheaper compared to UK and America. b) It has a world renowned education system c) It has the ESOS Act—a law governing the quality and delivery of education to foreign students and d) It is a very safe country with a low crime rate.

What courses can be pursued in Australia?

More than 10,000 courses are available ranging from business studies, accounting, hospitality, tourism, culinary, physiotherapy, biotechnology, media, IT, nanotechnology, engineering, medical, etc.

What is the best time for applying?

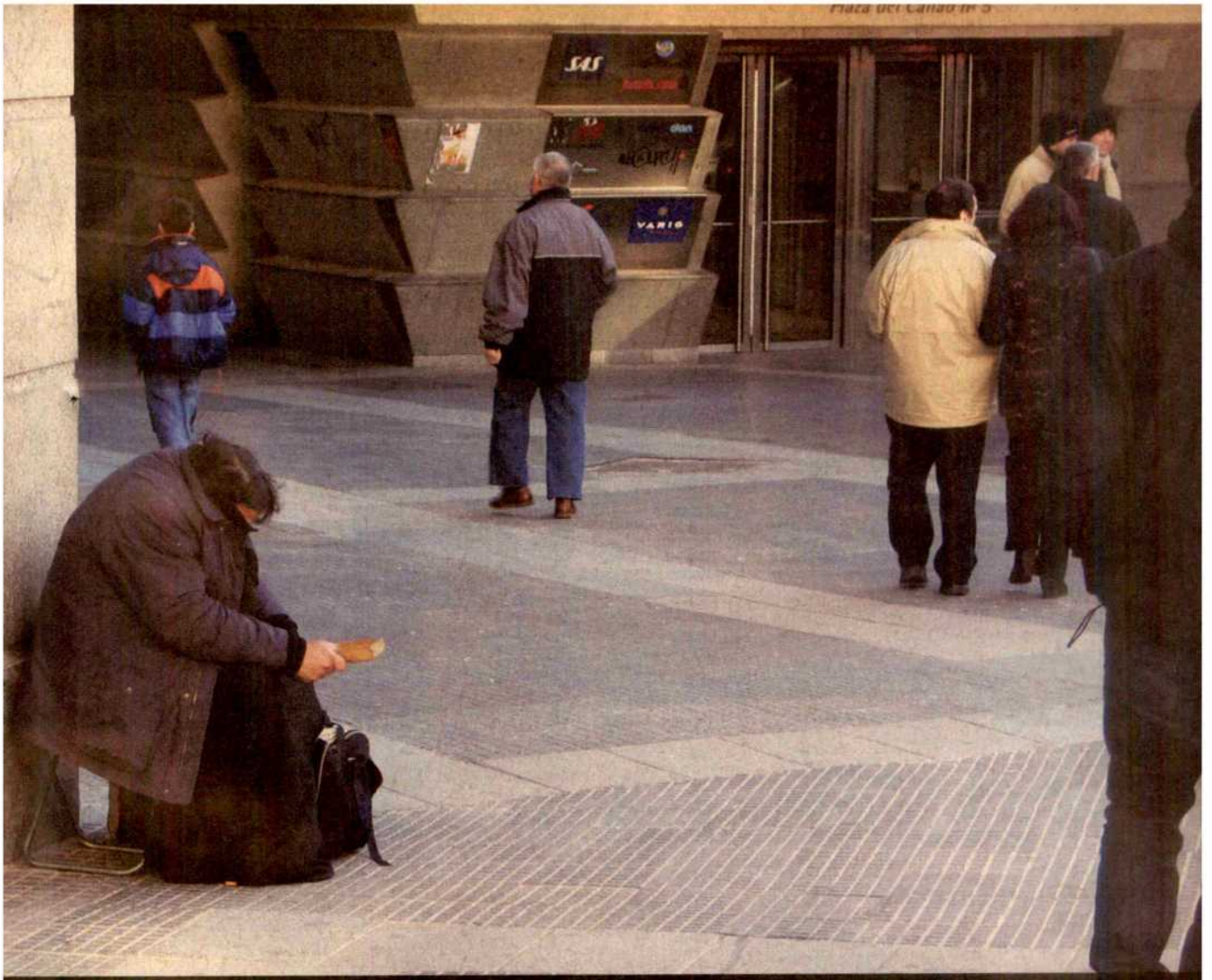
Applications to various universities and institutes are acceptable throughout the year. For the two major intakes, February and July, it is best to apply at least four months in advance.



Henry A S Ledlie, director, India, IDP Education Australia

What is the 8th September 2006 'Interview Program' all about?

Representatives of Australian universities and institutes come down to Delhi to take interviews of students for the February 2007 intake. A student can get an offer letter on the spot and the application fee is waived off. Book your appointments for the Interview Program, now. •



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AIM

Asia-Pacific Institute of Management (AIM) is among the highly rated B-schools in India. Established in 1996, AIM is an A+ Category Business School and has been imparting management education with commitment, vision and professionalism. It is also rated the best in Programme Delivery and 95% in Intellectual Capital as per AIMA-Business Standard Survey Sept 2005, and is in the super league of top 20 business schools in India.

AIM's campus in strategically located in South Delhi and is one of the finest in the North. The state-of-the-art campus boasts of a centrally air-conditioned auditorium, with Digital Library, Wireless Internet 24x7, Amphitheater, Cafeteria, and Health Centre. The Institute also has fully furnished hostel facility for boys and girls.

The best thing about AIM is its faculty which has rich worldwide exposure. The students of AIM get placed in the best companies of corporate India through the placement facility. In fact placement has been close to 100%. •

OXFORD BUSINESS COLLEGE

Oxford Business College is situated in the heart of Oxford, a city renowned throughout the world for academic excellence. It is a culturally rich and vibrant city that attracts students and visitors form all parts of the world—it is a truly cosmopolitan city!

It also has one of the highest reputations for the delivery of business, computing and media related programmes of study. The most prestigious and sought after course at the College is the Master of Business Administration (MBA), which prepares individuals for the highest of managerial positions within a wide cross-section of industry. Other courses include an accredited 2 year degree programme in Business Management and University access courses in Business, Engineering, Law, Computing and Media Production and Management.

The College has close links with a number of corporate clients—on one hand, the College trains their staff in a range of Business Skills while on the other, the college has been able to place our students in work-placement schemes with a number of local companies.

Another attraction of being based in Oxford is the fact that the college is able to employ the very best teachers. Many of the staff have run their own enterprises while others have done consultancy work for various companies.

Oxford Business College is also an international College. Oxford has overseas partners that the college works closely with, chiefly in India and China. Each year many overseas students make the journey to Oxford for their graduation ceremony.

To find out more simply log onto www.oxfordbusinesscollege.co.uk, or email at: enquiries@oxfordbusinesscol-lege.co.uk. •

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SURYADUTTA

Suryadatta has been ranked as overall 'A' category B-school in India for three consecutive years and has been ranked the highest amongst all B-schools in India in the Industry Interface category by the AIMA-Indian Management Journal (Sep 2004 and 2005).

Prof. Dr. Sanjay B Chordiya, Founder President Chairman

Suryadatta Group of Institutes today offers courses in various disciplines and has affiliations from the Pune University, Tilak Maharashtra Vidyapeeth, AIMA, Delhi, Manipal Academy of Higher Education (MAHE) and the University of London. Prof. Dr. Sanjay B Chordiya, the Founder President & Chairman has over 22 years of experience in the field of business management, consultancy and corporate training.

A well-qualified and experienced core faculty, backed by a stream of specialist academicians and practitioners from the industry form the heart of Suryadatta.

The state-of-the-art infrastructure facilities are spread over four campuses and include Internet-ready computer labs, fully equipped lecture halls, digital library, reading halls, labs, etc.

Students get the opportunities for extensive industry interaction through industry visits, seminars, guest lectures, etc. They also shape up as complete human beings through spiritual camps, yoga, workshops, etc. They develop a global focus through international consulting projects, placements, student exchange programs and study tours abroad.

The flagship program is the Corporate MBA course with dual specialization. There is also the Technology MBA course which is designed exclusively for Engineering, Pharma & Science graduates.

Blue-chip national and multinational companies visit the Suryadatta campus for recruiting students.

For further details, contact at suryadatta@vsnl.net. Or 020-24336000 or 24330425/435/400 or 09422083909. URL: www.suryadatta.org •

CREATING A NICE WORLD

NICE Society was envisioned by Babu Vijendra Kumar and established in 1989 by Mr. Shobhit Kumar, Chairman, with the intension of giving something back to the nation. Nice Society has professional colleges specializing in management, technical, dental and paramedical sectors. They also have a hospital in Gangoh, a small town in north-west UP.

It all started in 1995 with the MBA course. In 1996, BBA and BCA were started, followed by MCA in 1998. Two engineering colleges, awarding B.Tech. degrees, came up in 2000 at Meerut and Gangoh. A dental college, pharmacy institute and a nursing school, also in Gangoh, are in the pipeline. NICE Society has an academic tie up with University of Westminister, London. The international student community in the campuses comes from 17 different countries.

(From right) Shobhit Kumar, Chairman & Kunwar Shekhar Vijendra, Vice Chairman

The society has its campuses at Meerut and at Gangoh in Saharanpur district. The campuses are located in pollution-free lush green surroundings and are Wi-Fi enabled. Apart from all routine facilities on offer are computer aided language labs, the fifth of its kind in the country.

NICE Society has initiated a scholarship scheme. They are the first among private institutes to have the honor of conferring scholarships by the Prime Minister and Vice President of India to the students. They organize a placement week annually.

NICE Society is also working towards a University status. •

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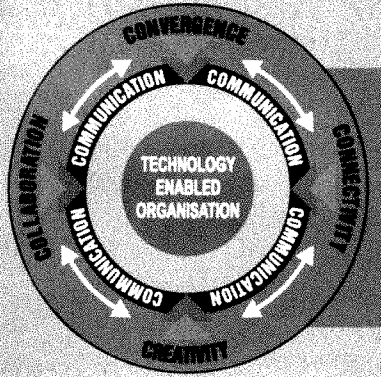

5Cs - THE DRIVING FORCES OF THE NEW ECONOMY

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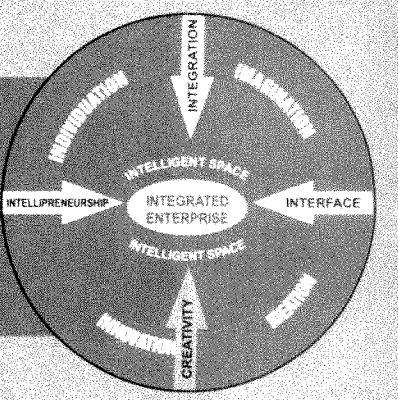

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IMI

The International Management Institute was established in 1981 as an autonomous non-profit educational society, in collaboration with the International Management Institute, Geneva to meet the need for internationally oriented management education and training at all levels in industry, government and public systems. IMI holds a place of distinction among the premier schools of management as the first corporate sponsored business school in India with an international orientation.

IMI follows international standard curricula in its programs, enriched by academic collaborations with the International Institute for Management Development, Lausane; the Faculty of Management, McGill University, Montreal, and the Manchester Business School, UK. IMI presently has alliances with ESC, Rennes, France, AIT, Bangkok, Thailand, International Institute of Management, Graz, Austria, Flinders University, Adelaide, Australia, IESEG, Lille, France.

A committed team of internationally qualified and experienced faculty enjoys the respect of the academic community, business and government. Of the 36 full-time faculty, 80% have Ph.Ds, 50% were educated abroad, 30% have corporate work experience and 35% have worked abroad.

IMI offers these postgraduate programs:

- Postgraduate Program in International Management (PGPIM)
- Postgraduate Program in Management (PGPM)
- Post Graduate Program in Management (PGP)

The programs are recognized by AICTE. These are designed to enable young professionals who have been judged to have high potential, to reach responsible positions in business.

IMI also offers a full range of custom-made in-company management training programs as well as open training programs on a variety of subjects. The Institute is also active in research and consulting.

Located in south Delhi, IMI's integrated modern campus is conducive to all round development of students. An amphitheatre is the nodal point of campus life around which the academic block, residence and recreational facilities are located. The centrally air-conditioned academic complex consists of spacious lecture halls, a computer centre, a conference room, an auditorium, the library, etc. •

RAI BUSINESS SCHOOL

Rai Business School (RBS) is a center for innovation in management education with a mission to develop professionals with distinction. RBS challenges students to develop a versatility of mind with a curriculum that is geared towards latest leading-edge technologies and provides them with a lifetime foundation of transferable skills.

RBS curriculum lays special emphasis on "Working Knowledge and Management Skills for the Global Environment". These high growth areas in management are addressed by designing special modules and projects, on dynamic issues of the industry. RBS promotes interaction with the industry through Guest Lectures, Seminars, Executive Development Programs, Mentorship and Live Projects.

Rai Business School has taken an initiative to equip the students with the right managerial talent and skills as required by the industry. The specialized programs would cover the fields of Business & Corporate Practices, Branding & Marketing Communications, Retailing, Merchandising & Supply Chain Management, Financial Planning & Analysis and International Trade & Business. With its pioneering endeavor in the field of manpower development, training and consultancy, RBS assures 100% job placement or 100% money refund to its students. •

SINHGAD GROUP OF MANAGEMENT INSTITUTES (SGMI)

In a serene, natural setting, lies an opportunity for a holistic grooming of the learner at the select Campuses of the Sinhgad Group of Management Institutes.

At SGMI, a student would...

- Unlearn and learn the ropes of business leadership
- Nurture skills demanded by changing business realities
- Create and sustain a quality lifestyle

Courses offered...

Master of Business Administration
Master of Personnel Management
Master of Marketing Management
Master of Computer Application
Master of Computer Management

All the cited courses are (AICTE) approved and affiliated to Pune University

Other Courses offered...

Post Graduate Diploma in ...
- **Business Administration**
- **Import Export Management**
- **Materials and Logistics Management**
- **Foreign Trade**

We are determined to facilitate a process that will help every student build a foundation for an enduring Career.

For 'Quality Education and Student Development'...

- Dedicated Competent Faculty
- Strengthening links with the Industry
- An ever improving Student Agenda

Sinhgad Group of Management Institutes have...

- A State-of-the art Infrastructure
- Exquisite Libraries
- Plans to be ahead in Pedagogy, Faculty Development and Training Programmes
- A Commitment for continuous upgradation in Quality of Performance

With determination to reach and create new benchmarks in the world of Business Management Education

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LONAVALA CAMPUS : Director • Mr. P. K. Sinha, Mobile: 9850983048
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NARHE CAMPUS : Director • Dr. Mrs. Apoorva Palkar, Mobile: 9850509454
S. NO. 49/1, OFF WESTERLY BYPASS, PUNE-MUMBAI HIGHWAY, VADGAON (BK), NARHE ROAD, NARHE, PUNE: 411 041. PH.: 020-24390076, TELFAX: +91-20-24393195 e-mail: stes@sinhgad.edu

KONDHWA CAMPUS : Director • Mr. R. Ganesan, Mobile: 9370899990
S. NO. 40/4A + 4B/1, , NEAR PMC OCTROI POST, KONDHWA-SASWAD ROAD, KONDHWA (BK) PUNE - 4110 48. PH.: 020-26394297, 26933631 TELFAX: 020-26933633 e-mail: stes@pn.vsnl.net.in

• Prof. M. N. Navale, Founder President •

visit us at: www.sinhgad.edu

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BVIMSR

Bharati Vidyapeeth's Institute of Management Studies & Research was started in 1984, with the main objective of imparting qualitative education by training the youth to meet the needs and challenges of the corporate in future. It is a part of Bharati Vidyapeeth, founded by Dr. Patangrao Kadam, in 1964. Bharati Vidyapeeth today boasts of over 150 institutions, spread across the length-and-breath of Maharashtra and in New Delhi.

Since it's inception in 1984, the institute has been conducting the curriculum programme in Management - MMS (Master of Management Studies) of Mumbai University and has already become a premier institute in India within a short span. The other courses offered are: Master of Computer Applications (MCA); Executive MBA Programme for working professionals.

The campus has separate hostels for girls and boys. Classrooms at BVIMSR are designed ergonomically and are air-conditioned. BVIMSR has a conference room with state-of-the-art equipment for audiovisual demonstration. The institute has set up two state-of-the-art computer labs with the best of PCs and latest software packages. BVIMSR has a huge playground and a sports center that stacks a wide range of sports gear. The audio visual room has a vast collection of edutainment CDs. It also has a cafeteria.

BVIMSR has its own Placement Cell which is headed by two experts.

The institute organizes training camps and workshops for its faculty and students to improve their skills sets and knowledge base. Eminent personalities from academics and the industry are invited by the institute to share their insights on a wide range of subject beyond the curriculum. •

INNOVATIVE EDUCATION

The B-School eMpi New Delhi

Having achieved acclaim for high quality learning standards in various areas of education, EMPI realized that only a 24x7 residential globalized learning environment with focus on individual development can bring about change in personality befitting the needs of the future corporate world. Thus began the onerous pursuit with which EMPI launched itself onto after obtaining the AICTE approval for its first PGDBM Programme. Diversifying into Professional Training & Development, it subsequently launched other professional streams of specialized knowledge.

Talking about the life at EMPI, President Gurnam Saran says, "It begins with the entrant taking a comprehensive Assessment Centre Test, evaluating himself/herself on establishing a set of competency indices. In chasing the objective of grooming students in a corporate-like setup we pursue a pedagogy based on the mantra 'Child learns what he lives'. Students attend classes formally dressed in the executive attire and participate in syndicate learning groups, and are regular in attendance.

Gurnam Saran, President, EMPI

Stressing the success achieved through its programmes, Saran adds that "The learning target at EMPI is seen as fulfilling a need of producing achievers and leaders. This need cannot be met by the conventional 5 days 5 hours study package. Effectively, we are attempting to create the right mindsets". A large pollution-free green campus environment with multiple facilities for games and sports, medical unit, post office, departmental store makes the campus complete in itself. It also has a large satellite wireless connected Computer Center and a big up-to-date library. Presence of students from France, US and other countries coming under exchange has truly added to creating an international learning ethos. Notably, due to the wide variations in ranking given by various agencies in B-school surveys, EMPI as a matter of policy has stopped participating in such activities. Repeated campus recruitment by companies like Coke, Tatas, HTA, Bharti, Amul, Dr. Reddy's Lab, LG, Samsung, Nestle, HLL, Nokia, Fiat, Triton, HTA, O&M, Lintas, Mudra and their endorsement that EMPI's grooming of the young is seemingly matching their needs of rigour of work is indeed encouraging us to focus on continuously reshaping our learning environment. •

Attention MBA Aspirants

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- **Corporate Masters Program in Business Administration with Dual Sector Specialisation**

▶ **Pune University / TMV / AIMA Affiliated (AICTE approved) Masters Degree / PG Diploma Courses**

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• Master Degree in Marketing Management	(MMM)
• Master Degree in Personnel Management	(MPM)
• Master Degree in Management Science	(MMS)
• Master of Business Administration (TMV Approved)	(MBA)
• PG Diploma in Business Management	(PGDBM)
• PG Diploma in Foreign Trade	(PGDFT)
• PG Diploma in Computer Applications	(PGDCA)
• PG Diploma in Materials & Logistics Management	(PGDMLM)
• PG Diploma in Management (AICTE Approved)	(PGDM)

+ ▶ **Post Graduate Program Corporate MBA with Dual Functional Specialisation of International Standards**

- Marketing + International Business
- Marketing + IT / Finance / Mass Communication
- Marketing + Services / Retail
- Marketing + Bio-Informatics / Bio-Technology / Agri. Business
- HRM + IT / Entrepreneurship Development
- International Business + IT
- Finance + IT / Insurance / Services
- Materials (Logistics) + IT / Supply Chain
- Mass Communication + HRM / Marketing / IT
- Operation Technology + Supply Chain

OR

+ ▶ **Post Graduate Program Technology MBA with Dual Sector Specialisation in Emerging Sectors**

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Human Resource		Hospitality & Travel Tourism
International Business		FMCG & Retailing
Materials (Logistics)		Insurance & Services
		Rural & Agribusiness
		Textiles & Retailing

Commendable Placement Record

Our Top Recruiters: Suryadatta students have been placed in blue chip national & transnational corporates like RPG, Saint-Gobain, Times, KPIT, J.K., Sahara, CITI Bank, Force Motors, Indian Kitchen Management Co. (Zhuai) Ltd.(China), Hindustan Coca Cola, HDFC Bank, Mphasis, ICICI Prudential, Tata Tele, Airtel, Zensoft, Metlife, Taj Group, Kotak Mahindra, Veritas, Atlas Copco, Tata Chemicals, Karvy, Patni Computers, Wipro, Telco, HDFC, India Bulls, HLL, Cadbury, Kirloskar, Tata Steel, MBT, Kanbay, Satyam, Shaw Wallace, Adani Exports, Ranbaxy, BKT, GTL etc.

Dual Qualification Program: Students enrolled for Master Degree, PG Diploma of Pune University/ MBA of TMV or AICTE Approved PGDM of AIMA can simultaneously enroll for any one of the industry / job oriented Post Graduate program Corporate MBA with dual specialisation/ Technology MBA with Sector Specialisation.

Criteria of Admission : 50% of the Admissions are given under Direct Admissions Category based on Graduation Percentage, Entrance Test Result & overall academic performance & remaining 50% Admissions are given based on G.D. & P.I. performance, Graduation Percentage and Entrance Test Result.

Eligibility of Direct Admission: Engineering Graduates with valid score of entrance test are eligible for the Direct Admission to Corporate MBA / Technology MBA. For Corporate MMA , other graduates having min. 60% marks in graduation or min. 60% marks in CAT/XAT/MAT/CET/ATMA/GMAT/SNAP/SAT Entrance Test are eligible for the direct admission. For Technology MBA, other graduates having min. 70% marks in graduation or min. 70% marks in CAT/XAT/MAT/ CET/ATMA /GMAT/SNAP/SAT Entrance Test are eligible for the direct admission. For AICTE Approved PGDM courses of AIMA, students having min 500 score in MAT are eligible for GD & PI. For further details contact - Mrs. Kiran / Arti / Savita on 020-24336000 or 24330400 or refer our website www.suryadatta.org. For Career guidance Prof. Dr. S. B. Chordiya on 09881490036 or 09422083909 or Prof. Sunil Dhadiwal on0 9822094713.

- **Admission Forms & Prospectus are available by paying Rs.1,000/- by DD or cash** — **Till 10th June 06**
- **Direct Admission (based on merit) for Dual Qualification, Last date for admission by paying registration fees Rs 20,000/- (part of total annual fees) by DD in the name of Suryadatta Education Foundation, payable at Pune** — **20th June 06**
  . **(Strictly on Merit & on first come first serve basis)**
- **Dates for G.D. & P.I. for those who are not eligible for Direct Admission** — **19th / 26th June 06**
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Tel. Nos. : 091-020-2433 6000, 2433 0425 / 435, 24339100, 30911292 **Fax No. :** 020-2433 0400, 2566 2882
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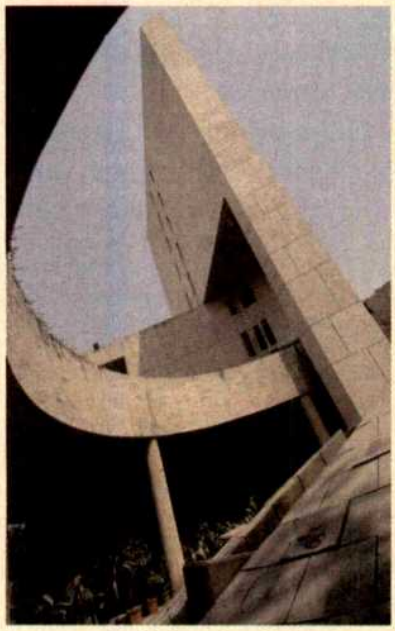
IIFT



Indian Institute of Foreign Trade (IIFT), set up by the Ministry of Commerce & Industry in 1963 has been playing a pivotal role in the evolution and advancement of international business education and research in the country. The Institute has always been pro-active in adapting to the changing needs of the corporate sector shifting its focus from being merely a training institute in foreign trade to an integrated international business school.

IIFT is the only institute of its kind in the country which provides management education with a global focus. The curriculum consists of core papers like international business strategy, marketing research, trade operations, etc, that reflect the concepts and trends in international business. An understanding of these international developments, the capacity to analyse and respond to such changes are some of the capabilities that are inculcated in the students.

IIFT has been actively involved in conducting research and management development programmes for the government and corporate sector in India as well as international organizations including several UN agencies. Over the years, IIFT has developed substantial consulting capacity in analyzing international business situations and developing appropriate corporate strategies. It has emerged as an institution with proven ability to continuously upgrade its knowledge base with a view to service the requirements of the Government, trade and industry.

The Institute was awarded the status of Deemed University four years back. •

IME, SAHIBABAD

IME, Sahibabad (Ghaziabad) was established in 1995 with a mission to create an environment of learning so as to enable participants - both faculty and students- to demonstrate their potentialities based on self-perfection and undertaking activities towards that end. In the course of its development, IME has responded to the nature of career orientation and aspirations of the younger generation. It has introduced degree courses in Education, Library Science and Law besides Management and IT programs at the undergraduate and post-graduate level. It is no surprise that the institute draws over 2,600 students every year to its campus.

Prof. H P Gupta, Director

IME, offers PG diploma courses in management approved by AICTE, BBA, M.Com., BCA and MCA courses affiliated to CCS University, Meerut, B.Lib., L.L.B (3 years) and L.L.B (5 years-integrated after 10+2) courses affiliated to C.C.S. University and approved by the Bar Council of India.ity and approved by the Bar Council of India.

Facilities: The Learning Resource Centre at IME comprises three libraries, which have over 25,000 books. There are three hostels within the campus which can house 300 students. The well-planned campus on more than seven acres of land has a complex for academic and administrative blocks. Lecture rooms are spacious and have facilities such as audio-visual equipment. The IT Centre has over 200 workstations. Facilities for both indoor and outdoor games, including lawn tennis, billiards, table tennis, badminton, basketball, volleyball and cricket, are also in place.

While the core faculty is in a position to provide continuous guidance to the students, visiting faculty and management experts further strengthen the learning environment. Among the recruiters who have come to IME are The Times of India, HDFC Bank, Standard Chartered Bank, IndusInd Bank, Bank of Punjab, Ely Lilly, IPCA, Dabur, Infosys, and many others. •

NMIMS

Narsee Monjee Institute of Management & Higher Studies (Deemed University) is one of the premier B-Schools of India engaged in management education, training, consultancy & research. As we celebrate our Silver Jubilee we realize that in a span of twenty-five years NMIMS is now focusing on transformation from an Institute of a single Management Faculty to a University with many Faculty areas. The University is also transforming itself from a teaching Institute to Research, Consultancy, Training & Teaching Institute.

From a humble beginning in 1981 with an intake of 40 students, NMIMS has achieved many a milestones:

- 1992 Approval from AICTE
- 1999 Five Star rating by the UGC sponsored National Assessment and Accreditation Council
- 2001, 2002, 2003 & 2005 Best Management Institute of the Year Award by Bombay Management Association
- 2003 Deemed-to-be-University status by HRD Ministry
- 2004 Golden Peacock National Training Award in the category of the 'Large Training Provider' by IOD
- 2004 ISO 9001:2000 Certification by ICL
- 2005 Dr. J.J. Irani Award - Best Management Institute
- 2005 Ranked 7th in Outlook Cfore B-School survey
- 2005 Ranked 10th in the Business Today-AC Nielsen-ORG MARG B-School Survey
- 2006 NAAC has awarded our University an 'A' grade with a score between 85-90%

NMIMS has now planned many new academic initiatives for the year 2006-07 under various Schools like School of Business Management, School of Technology Management and Engineering, School of Pharmacy and Technology Management, School of Family Business and School of Distance Learning.

NMIMS (Deemed University) has a team of 68 full time faculty members, rich in academic and industry experience of which 30 hold a Doctoral degree. The campus is WiFi LAN enabled ensuring Internet connectivity everywhere on campus. The classrooms are provided with state-of-the-art technology, computers, LCD Projectors, OHPs, Laptops, Internet Connection and even air-conditioned for further comfort. In 2005-06, the students won awards for Business Simulation Games, Business Strategies, Best Summer Project, Crisil Young Thought Leader Series and BMA's Dandekar Trophy.

The Social Responsibility Forum under the Social Enterprise Cell at NMIMS initiates many social welfare activities like an annual Blood Donation Camp, fund raising, and developing strategies to help NGOs. Our students' contribution towards flood relief that struck Mumbai on July 26, 2005 was very much appreciated.

The University has linkages for international students exchange programmes with four Universities abroad: three in France, one each in Hungary and Malaysia. Besides, the linkages also provide for international assignments in teaching, research & consultancy.

Geared towards dynamic growth in all fields, NMIMS has bigger dreams for tomorrow. •

XISS

The Xavier Institute of Social Services was registered in 1973 and started its journey at Ranchi, now the capital of Jharkhand. As more students started getting enrolled the two year Diploma Programme in Rural Management was introduced in 1975. Prior to this, courses like MSW were available only with the University and not as any Diploma courses. It was a challenge to shape the course which would equip the students with practical skills and enable professional development. Initially there were several difficulties. But it was due to the concerted efforts of the Directors and faculty members that it came out successfully. Today XISS graduates enjoy 100% campus placement.

A few of the unique features of XISS are the academics and the outreach programmes running in a well integrated manner under the same roof. A one year Diploma in Computer Application, which feature with 24 X 7 Internet connectivity, has also been provided by XISS.

"The institution has faced a number of challenges in its history and has proactively negotiated them," says Fr. Beni Ekka, Director of XISS. The efforts that have gone behind in making XISS what it is today, has proved that this business school has a bright future. •

BIMTECH

The dawn of the last century is remembered for setting into motion a chain of events which ultimately led to the transformation in the way the society viewed 'Education'. Till then, it was being viewed as a mission, later it came to be viewed as a motto, then a purpose and so on till today when it has become a necessity of life. Economic activities have started dominating the discourse like never before and are touching the lives of everyone. It has become essential to acquire good education to cope with this dynamic reality.

Birla Institute of Management Technology (BIMTECH) in its grand new avatar is a premier institution that imparts education aimed at preparing managers who meet the expectations of today's organizations and who can also adapt themselves to meet the needs of the organizations in future. At BIMTECH the programmes and their syllabi are under constant churning to come up with solutions of managerial problems of today of tomorrow and of the days after. It is here that the planned class-room teaching and interaction by versatile minds in the quest of new solutions to global problems.

Shri R.N. Jaju

At BIMTECH, the 24-hour Internet connectivity provided in each room of the campus (including the hostel rooms) serves as a constant reminder to each student that "The World has become a village" and everything is now within easy reach provided one adopts the appropriate software for the machine and for life. The flip side of this opportunity is the challenges that it poses. Every student has to become an achiever in his or her own right. Each one has to meet the ever higher targets of objective and subjective wealth.

Shri R. N. Jaju, Chairman,
Board of Governors, BIMTECH &
President, ECE Industries Ltd.

I²IT, PUNE

International Institute of Information Technology (I²IT), Pune is one of India's premier technology schools and offers autonomous, residential, full-time masters programs. I²IT aims to deliver programs that are career oriented and industry relevant by combining cutting-edge curriculum with hands-on application training to create graduates who have industry-ready knowledge and experience. I²IT offers the perfect environment for students to develop their skills and broaden their knowledge by providing state-of-the-art computing infrastructure and an industry experienced and distinguished faculty.

I²IT collaborates with educational institutions across the globe and delivers several programs that offer the best of technology education available in India and abroad. The Programs give students the opportunity to study at reputed foreign Universities and at India's premier Institute of Advanced Technology. I²IT provides a unique learning experience as students receive a truly global education of international standards and get every possible opportunity to become the innovators and leaders of tomorrow.

Campus placements at I²IT are conducted thrice a year wherein organizations conduct campus interviews. Today, I2IT alumni are working with the top echelon of companies, creating knowledge and driving the industry's growth.

I²IT Singapore: 2006 will mark the establishment of I²IT in Singapore. At the invitation of the Government of Singapore and the Economic Development Board, I²IT is in the process of setting up a campus in Singapore. I²IT Singapore will be a centre of research and education in the current areas of Information and communication technology.

For more details, visit www.isquareit.ac.in.

IBA

The life of a student in the Indian Business Academy campus revolves around developing one's Intelligent Quotient through academics, Emotional Quotient through meaningful inter-personal relationships and the Spiritual Quotient through inculcating the Art of Living programmes as part of daily life and learning. Yoga and meditation form part of the student activities that help instill stress-management techniques and enable personality development.

IBA stands for three success mantras viz. Inspiration, Breakthrough and Achievement. They represent the IBA model of leadership. This has led to the success of IBA students in various walks of life at the national and global levels.

IBA with its world class infrastructure, high standards of teaching strong corporate networks and 100 percent placement provides the right launch pad for aspiring managers.

The institute was established in 2001 by scholars from IIT and IIMs along with scions of the corporate world. IBA lays emphasis on its students imbibing ethical values, such as self discipline, honesty, integrity, leadership, team spirit and hard work which will help them get ready to face the 21st century's stressful management career.

The Director, Dean and Faculty are passionate about the Institution's development. They have set a goal that in the next three years of being in the league of Top 20 B Schools in the country. They have done well in the B School ratings (Cosmode) having moved from 84th position in 2004 to 78th in 2005 among the 100 B Schools ranked. The students on completion of their course are placed in lucrative and challenging jobs. Placement has been 100 per cent since inception.

IBA's courses offered include PGPM (Post Graduation Program in Management) with specialization in HRM, Finance, Marketing, IT and International Business. The Institute has strong network with the industry, enabling it to update its curriculum according to the changing needs of the industry.●

IBMT

The Institute of Business Management and Technology is a new-age institution driven by the 5Cs: Convergence, Connectivity, Collaboration, Creativity and Communication. These are the driving forces of the new economy fundamentally transforming our lives. Information is the key ingredient of emerging businesses, which is leading to greater integration of all knowledge and work processes. The information and communication revolution is drastically reshaping global society and pushing the world towards a knowledge-based economy.

The future managers must develop capabilities to integrate multiple skills, evolving knowledge systems and emergent technologies. Following an inter-disciplinary approach that integrates technology and business, programs of study at IBM-TECH have been designed with a clear focus on knowledge models.

The mission of the Institute is to nurture creative contributors with enhanced managerial and technical skills to contribute to the creation, application and extension of knowledge for the benefit of the society.

Technology has emerged as the most powerful force driving global transformation. The most profound impact is being felt on business organizations and business processes marked by increasing complexity. To comprehend the emerging complexity and select intelligent pathways one requires not only the knowledge of technology but also a holistic perception through unity of thought, vision and action. Hence the challenge of education now is to develop new cognitive skills to manage complex organizations.

Education at the IBM-TECH is intended to facilitate unbounded exploration of ideas. To facilitate this process the Institute draws upon various streams of thought and integrates them into the educational process. With such comprehensive training all our students have been able to find excellent placements. As a result the Institute is now rated as one of the top 5 placement providers in Bangalore.●

ITM

Institute for Technology & Management (ITM), Mumbai, one of India's leading business schools has adopted an integrated approach to management education that goes beyond just theoretical and book based curricula. ITM lays strong emphasis on the case study method and research-based learning, business simulation exercises and all round personality development.

Justifying the approach Prof. P.V. Ramana states, "Management schools today need to produce global leaders rather than just management graduates. In today's scenario of a global village, where the ability to cope with the day-to-day pressures of the "real world" make as much a difference to one's career as knowledge of the subject itself, the onus is on India's top management institutes to ensure that students experience a novel learning curve that incorporates the latest global best practices, advanced syllabi and state-of-the-art facilities."

While the first year focuses on laying a strong theoretical foundation, the second year of the programme follows the Harvard Case Methodology approach, which combines the best of practical and theoretical methods.

ITM places strong emphasis on research. At ITM, besides having access to the libraries on campus, students can access a whole universe of information through ITM's two most prized research resources - EBSCO, the world's largest online archive of over 2000 business and management journals, news and research; and the Harvard Business Review Online, a comprehensive archive of full-text articles/research papers from the Harvard School of Business.

ITM has Asia's first ever Business Simulation Lab. This provides hands-on training in securities, derivatives, commodities and foreign exchange trading. The lab features National Stock Exchange software from NSE.IT, data-feeds from Moneyline Telerate with industry renowned charting and analysis tools from Spider Software. This adds a dimension of real-life experience and exposure to the PGDBA Finance specialization. •

SINHGAD MGMNT INSTITUTES

Sinhgad Management Institutes, established in 1994, in and around Pune, have been quick to recognize the need to equip students with a different set of managerial skills and competencies that fulfill the demands of the rapidly growing business world.

Under the aegis of Sinhgad Technical Education Society, the Institutes endeavor to harness the growing needs of able business managers of tomorrow. Sinhgad Technical Education Society has grown to 59 Institutions across 6 campuses providing education to approx. 24,000 students per year.

Sinhgad Management Institutes offer a wide range of courses that include:

- MBA & MCA accredited by National Board of Accreditation (NBA)
- MPM, MMM, MCM recognized by the University of Pune

The above courses are AICTE approved.

SMI also offers Post Graduate Diploma in Business Administration, Import Export Management, Foreign Trade, Materials & Logistics Management

Sinhgad Management Institutes have a strong backbone of dedicated and expert faculty, to guide and mentor the students. SMI has a well-knit industry interface to benefit the student community to acquire an appropriate place in the management world. The vast growing e-Library helps the students to keep themselves updated. The Institutes have has excellent infrastructural facilities like beautifully landscaped campuses, gymnasiums and swimming pools, shopping complexes, eateries, medical facilities, banks and ATMs.

Sinhgad Management Institutes are confident that SMI student would be able to lead a quality lifestyle that is a perfect blend of business and Indian values.

Contact persons: Vadgaon Campus: Director - Mr. Avadhoot Pol, M: 9850983273; Narhe Campus: Director - Dr .Mrs. Apoorva Palkar, M: 9850509454; Lonavala Campus: Director - Mr. PK Sinha, M: 9850983048; Kondhwa Campus: Director - Mr. R. Ganesan, M: 9370899990

For more details: visit www.sinhgad.edu •

DESIGNING THE FUTURE

The Welingkar Institute of Management in keeping with its reputation of pioneering programs in new areas viz E-Business, Retail, Commodity Trading has recently announced a new initiative in the area of Business Design.

Commenting on what design is doing in the domain of a B-school, the Director, **Prof. Dr. Uday Salunkhe** shared his views on the concept and its application.

Prof. Dr. Uday Salunkhe

Design and innovation may soon become the buzzword of leadership and management. Because of the growing power of design to affect human behavior, an increasing number of organizations think that executives should adopt an innovative design perspective. Design moves things from an existing condition to a preferred one. Design can be applied to a product, process and the organization as a whole to produce a desired effect that makes businesses prosper.

The Post Graduate Program in Business Design is a breakthrough futuristic program, which will enable a student have a holistic approach towards management by using his creative skills as well as his logical capabilities while carrying out any function of management.

With design becoming increasingly important in the changing world of management, qualities that the industry needs in its design managers are creativity, innovation, using both sides of the brain, empathy, multi-sensing capability, observation, entrepreneurial spirit, etc. The program on Business Design encourages these qualities in the managers of the future, who, not only do things differently but also do different things for the business.

The Analytical MBA focus is "solving a problem" and the Design Process MBA focus is "finding the problem".

Subjects such as Anthropology, Ergonomics and Innovation also find their place in the program. The program also has a subject called Design Studio that will require a student to experiment and learn by working with colours, space, forms, concepts, prototypes, ethnographic studies, brainstorming among other things. •

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business today

B-School Compendium 2006!!!

Coming Soon.

Contact:

• Delhi:- Mr. Neeraj Sharma, 011- 23736970-79; Dir: 23316357 • Mumbai:- Mr. Parthiv Kaji, 022-24912771 • Bangalore:- Mr. Rajiv Nair, 080 - 22212448, 22218343.
• Hyderabad:- Mr. Srinivas Babu, 040- 23400479, 23410100. • Kolkata:- Ms. Lopamudra Paul, 033- 22825398 • Chennai:- Mr. Jayanta Chakraborti, 044-28478525-44

ALTERNATIVE CAREERS

A common question in the minds of young people is: which career to choose? Parents obviously want their children to become successful doctors, engineers or bureaucrats. Many students wish to build a secure career for themselves and not go through the regular rigmarole of securing admissions in medical colleges or engineering institutions. Since not everybody has the aptitude and can clear the extremely difficult competitive examinations of these professions, it results very often in heartbreaks and frustrations. Nor is everyone cut out for every profession. In the long run, it would be better if youngsters choose a career that one has interest in. The key to success would lie in doing things well and not in following what others are doing. When working, multinationals, or for that matter any employer, require people who can "add value". They do not want pen pushers. A diploma or a degree does not add value. It requires understanding of the situation and taking intelligent decisions. Highly paid jobs require this more than anything else.

SELECTING A CAREER

For youngsters just out of college, selecting a career is the biggest dilemma. What do I do for a living? How can I make a success of it? What are the skills needed to make a successful career of a chosen profession? Do I have the skills to make a success of my chosen career? Such questions and more will continue to haunt a fresher.

What needs to be kept in mind is that longevity of that skill and trade. Choosing and managing a career requires more serious thinking than many of us are willing to admit. First is the question of aptitude. It is necessary not to be overwhelmed by stories of high salaries that others are getting, since each profession offers the possibility to earn more than others. The most highly paid professionals in the country, for instance, are not MBAs. A good doctor or a fashion designer would be able to earn more money. Some famous designers and cardiologists earn more than most MBAs.

Every human being has certain inherent strengths and weaknesses, which must be recognised by making honest introspection. An objective self-assessment of own strengths and weaknesses would reveal to an individual his/her own inner potential. The assessment of inner potential can also be obtained by talking to some successful persons on various subjects, observing own reactions in the times of distress and comparing own achievements with the achievements of the group as a whole on several issues of importance. This self-analysis also brings out the aptitude of a candidate.

A detailed self-analysis provides one with a deep and fruitful insight into hidden potentials and strengths and weaknesses which would assist a candidate to choose a career. For instance the strength could lie in educational and professional qualifications, experience, moral strength, ability to convince people, business acumen and aptitude, capacity and quest for producing results etc. Similarly, the weaknesses could be in terms of qualifications, lack of experience, lack of self-confidence, lack of confidence in dealing with people etc. An objective analysis will ensure selection of a proper direction to one's career. After choosing one of the three paths, the candidates can set goals to be achieved by them in a given time frame.

CHOSEN PATHS

There are several alternative careers that one could choose from. Some innovative ones that have can bring home the bacon too are event management, films, television, & media, air-hostess/flight attendant, nutritionist and dietician, clinical research, etc.

An essential pre-requisite for excelling in any of the career paths is through preparation at the pre-entry stage. Professionally and technically one has to be absolutely sure of oneself. In addition, general awareness of the environmental variables is a must. This awareness includes knowledge about day-to-day science, about the socio-political system, economic planning, budgeting process, economic geography, current happenings in the country as well as in the world etc. Such an awareness cannot be acquired overnight and needs constant input over years. Regular reading of standard newspapers and competition magazines right from the student days is required. A sharp mind with a detailed knowledge of the environment around is bound to succeed in any sphere ranging from self-employment to the Government service.

Good luck!!

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ITM Institute of Financial Markets (ITM-IFM) was established with a purpose to train the next generation of Indian and International Finance professionals and to provide access to the latest knowledge and tools in use globally. Now announcing admissions for the following programs:

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Designed exclusively by IIM-Ahmedabad for ITM, the PGP-FM is a unique One Year Full-time program delivered in a format **that enables** aspiring managers to develop the knowledge and foresight needed to accelerate their careers in the world of Corporate Finance. The **program will** be conducted by ITM Institute of Financial Markets, in academic collaboration with Bentley College, Boston, USA & Southern New Hampshire University, **at its** brand new, state-of-the-art campus located in the BSeL Techpark- Vashi, Navi Mumbai.

Features

- Program designed by the prestigious IIM Ahmedabad under an exclusive Consulting agreement
- This program prepares functional area Managers for promotion into General Management and Corporate Finance careers
- Taught by professors from Ahmedabad, Europe, UK and USA, and leadignFinance Experts
- Access to our Business Simulation Lab, India's first live-markets training lab
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- 10-week optional Summer Program at Southern New Hampshire Univ., USA
- Guest Lecture series by CEOs from Banks and Insurance Companies, and CFOs of the largest Indian and MNC Corporations

Unique Selection Process: 60 short-listed candidates will be called for a 2-day camp in Lonavla (near Mumbai), the cost of which is included in the application fee. Senior faculty from Ahmedabad and Mumbai will deliver introductory sessions on Day 1. Candidates will face a Group Discussion, Personal Interview and other interactive sessions on Day 2. at the end of 2 days the list of 30 accepted candidates will be put up. Further details will be furnished after your apply.

For Applications, write with DD of Rs 1000/- in favour of "Institute for Technology and Management" payable at Mumbai, to PGP-FM Coordinator, ITM Institute of Financial Markets, BSEL Tech Park, opp Vashi Rly Stn, Navi Mumbai - 400 705

Eligibility: Junior and middle **level executives** in all areas of management, with bachelor's **degree**. Selection is based on academic records, candidate profile **and performance** in our Unique 2day Selection Process, outlined **below.**
No Entrance Test scores are required.

ADMISSIONS OPEN

Following are the Programs offered by ITM-IFM in collaboration with International Institute for Insurance & Finance & Georgia State University, which cater to the needs of fresh students as well as experienced professionals in the **broad field** of finance, Capital Markets, Insurance and Risk Management.

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This program is designed to educate students in the theory and practice of risk management and insurance at an advanced level through a customized **program** of study. The program is designed to prepare students for analytical and technical staff, consulting, and applied research positions in risk management, employee benefits, and **insurance**.

■ MASTERS IN PERSONAL FINANCIAL PLANNING (1 YEAR FULL TIME)

This program aims in providing a sound understanding of the process of financial planning, together with the fundamental skills and knowledge **required** in professional practice. The program is designed to provide basic knowledge in application of economic principles in financial counseling process which is expected to help **efficient allocation** of savings by families and their optimal use by the society and the economy. Graduates of this program are in high demand by banks, Financial Institutions & NBFCs.

■ MASTERS IN ACTUARIAL SCIENCE (2 YEAR FULL TIME)

The subject of Actuarial Science aims at employing mathematics and statistics in understanding and modeling the financial consequences of risk and **uncertainty** in various sections of an economy and tries to design solutions for such risks. Actuarial Science is the heart of the life and General Insurance industry. **For the development of actuaries** for the future with appropriate skill sets needed for a number of roles that they have to perform in insurance and financial services industry, ITM-IFM has developed a **modern course** curriculum using, inter-alia, the course contents of the M.S. Actuarial Science Program of Georgia State University, Atlanta, U.S.A. and the revised educational curriculum of the **Actuarial** Society of India.

Eligibility: ■ Graduate in any discipline from a recognized university with at least 50% marks and having Tests Scores (CAT/GMAT/XAT/MAT/ etc.) ■ Only graduates with specialization in statistics and mathematics and with first class or distinction will be admitted into the Masters In Actuarial Science program.

Part Time programs for working Professionals:
Executive MBA (Insurance & Risk) 18 Months
Executive MBA (Personal Financial planning) 18 Months
Executive MBA (Actuarial Science) 2 Years

Eligibility: ■ Graduates currently working, preferably with 2 years work experience ■ Graduates with specialization in statistics and mathematics for Executive MBA (Actuarial Science)

Application forms may be purchased by sending a D.D. For Rs. 1000/- in favour of "Institute for Technology and Management" payable in Mumbai, to the institute address.

Application forms may be collected from the Executive Education office by remitting Rs.500/- in cash or DD in person or Rs.550/- by courier at below address.

■ Last Date for Admissions: 15th July 2006
■ Session Starts on: 24th July 2006

In Collaboration with: iiif · Georgia State University · Bentley · Southern New Hampshire University

For details contact:
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701, BSEL TechPark, Vashi, Navi Mumbai - 400 705 ■ Tel: (022)56135002 / 27814772 ■ Email: surekha@itm.edu
■ Website: www.itm.edu

RedEye

An IMPACT Feature

A Career in
Film, Television, Animation & Media Arts

THE MEDIA INDUSTRY - GROWTH!

Booming filmed entertainment industry -

- Revenues estimated at INR 153 billion by 2010 as compared to INR 56.5 billion in 2004 - a growth rate of 18% pa.
- Increased demand for professionals as a result of financial success of 'parallel' cinema

Booming television industry:

- Revenues estimated at INR 427 billion by 2010 as compared to INR 128.7 billion in 2004 - a growth rate of 24% pa.
- Explosion in number of satellite channels, be it Entertainment, News, Kids channels - 290 satellite channels in 2005 as compared to 112 in 2000.

Booming Animation Industry - currently INR 12 billion. Expected by 2009 INR 42 billion - a growth rate of over 30% pa.

Media industry to provide large growth in number of jobs - from 2.5 in 2005 to 4.5 million in 2009

Source - FICCI

WHAT SHOULD ONE LOOK FOR IN A MEDIA INSTITUTE?

- Ideal location
- World class faculty of working professionals - the best educationalists from their respective field.
- State of the art facilities and equipment to keep abreast of today's industry
- Connections and contacts to open doors
- Creative environment
- Rigorous program - experiences close to the real-life situations of the media industry
- Professional affiliations - curriculum, technology, placement, affiliations

WHISTLING WOODS INTERNATIONAL
World-Class Institute of Film, Television, Animation & Media Arts
FilmCity, Goregaon East, Mumbai.
Tel: +91 22 28416000 Website: www.whistlingwoods.net.
Email: info@whistlingwoods.net

Whistling Woods International - Institute for Film Television & Media Arts is a unique educational institution, offering unparalleled infrastructure, cutting-edge technology and state-of-the art equipment. Located in the heart of Film City, Whistling Woods International gives students the benefits of an extended campus and an invaluable interface with the entertainment industry.

Whistling Woods International offers not only the theoretical and practical training required for success in production, but also an in-depth aesthetic development of the individual. Additionally, the Institute provides many opportunities for students to move into professional positions through internships and immediate absorption into full-fledged feature productions upon graduation.

In recognition of its commitment to academic excellence, Whistling Woods International has affiliations with Seneca College Canada & Australian Film, Radio & Television School and is officially certified as the training partner in India by Apple and Digidesign - offering certification courses in Final Cut Pro, Shake, Logic and Pro Tools.
By developing professional distinction and inspiring passion Whistling Woods International gives students the tools to bring their creative vision to reality and to step forward as part of the world's next generation of great filmmakers.

Whistling Woods International is an initiative of Mukta Arts Limited & Film City

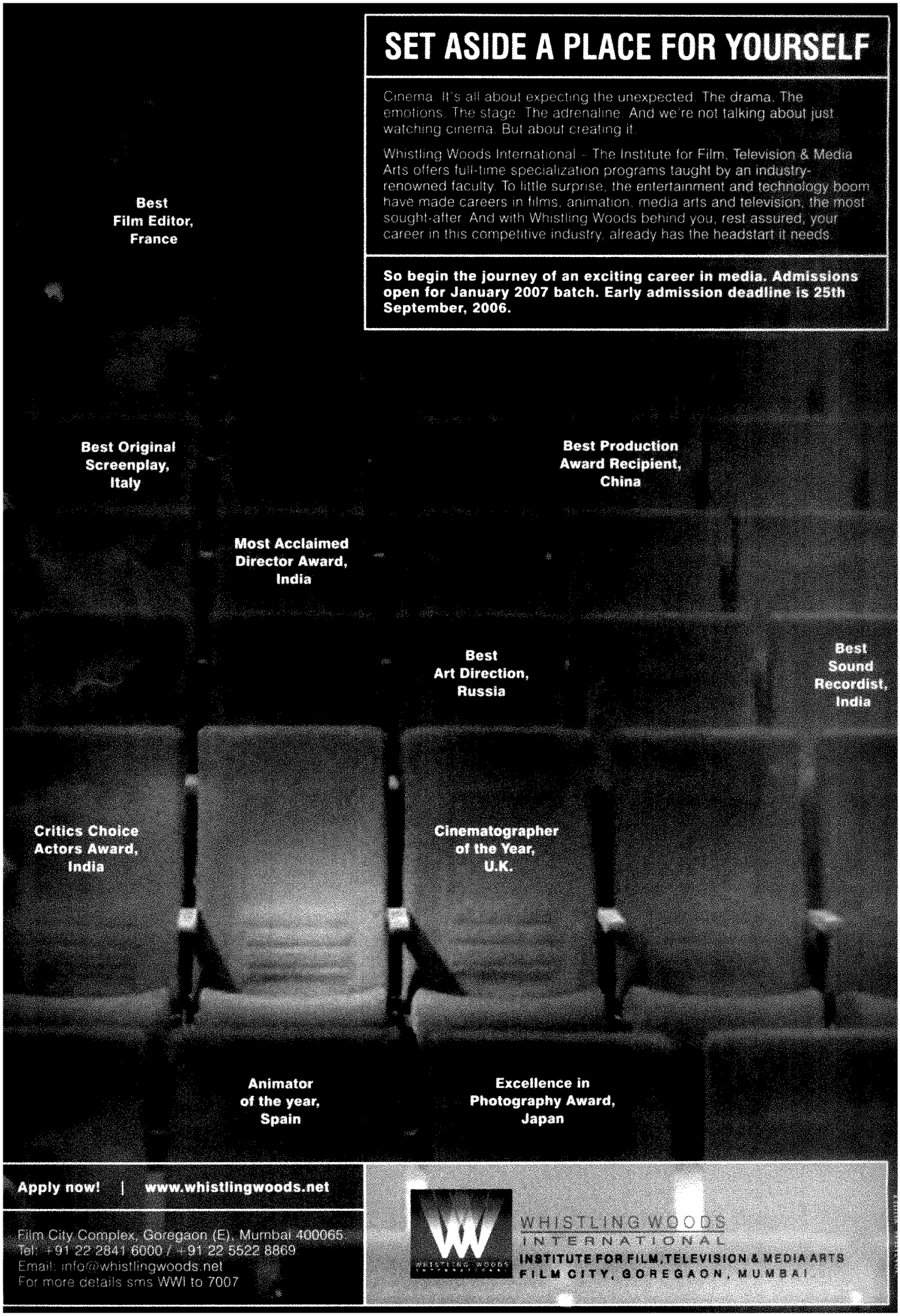
CORE TEAM

Subhash Ghai
Chairman and founder

Kurt Inderbitzin
Dean

Shyam Benegal
Chairman of Academic Council

Arunaraje Patil


SET ASIDE A PLACE FOR YOURSELF
Cinema. It's all about expecting the unexpected. The drama. The emotions. The stage. The adrenaline. And we're not talking about just watching cinema. But about creating it.
Whistling Woods International – The Institute for Film, Television & Media Arts offers full-time specialization programs taught by an industry-renowned faculty. To little surprise, the entertainment and technology boom have made careers in films, animation, media arts and television, the most sought-after. And with Whistling Woods behind you, rest assured, your career in this competitive industry, already has the headstart it needs.
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Best Film Editor, France
Best Original Screenplay, Italy
Best Production Award Recipient, China
Most Acclaimed Director Award, India
Best Art Direction, Russia
Best Sound Recordist, India
Critics Choice Actors Award, India
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INSTITUTE FOR FILM, TELEVISION & MEDIA ARTS
FILM CITY, GOREGAON, MUMBAI

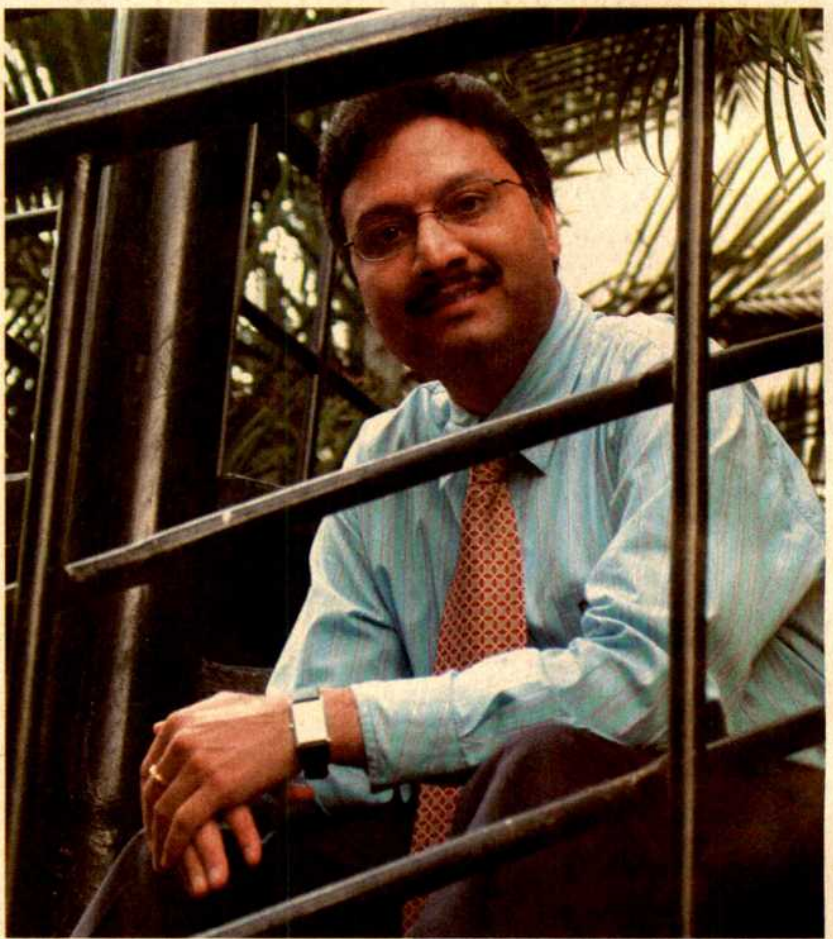
BECKONING CAREERS

Wanted: Domain Specialists

Don't have tech skills? Don't worry. You can still get a high paying job in the IT industry on the basis of your specialised knowledge of the banking, retail or manufacturing sectors. RAHUL SACHITANAND

VIJAY MALLYA, 41, WORKED with State Bank of India (SBI) for 13 years, before he decided to quit. He was bored of his routine and was looking for better career prospects. He joined HCL Technologies, an IT company. "At SBI, I saw first hand the value that IT could add to a business; and it was the chance to work in the global financial services market that drew me to HCL," says Mallya, who is the head of HCL's Banking Services unit. He is not the only one. The information technology industry is hiring hundreds of domain specialists (typically, veterans in a particular industry) from diverse fields such as banking, manufacturing services, retail and telecom to add depth to and leverage their experience in specific verticals.

"We aggressively hire executives with 15-20 years experience from Old Economy companies since they have strong experience in their respective industries and are able to manage significant businesses independently," says D.K. Srivastava, Senior Vice President, HR, at HCL Technologies. He adds that mid-ranking officers (Deputy General Managers, General Managers and Chief General Managers) in public sector banks, who are often stuck in bureaucratic jobs with limited mobility and average pay, make ideal candidates for companies such as his. The pay is invariably much higher, by between 50-300 per cent. HCL's Mallya, for instance, claims that his pay increased 250 per cent when he made the switch to IT. The other big draw is the operational freedom they get. "Recruits at this level are placed in charge of business units or are put in customer-facing marketing positions since they understand the



PHOTOGRAPHS BY DEEPK G. PAWAR

Vijay Mallya

PRE-SWITCH JOB
DESIGNATION: Project Officer, Computer and IT
COMPANY: State Bank of India

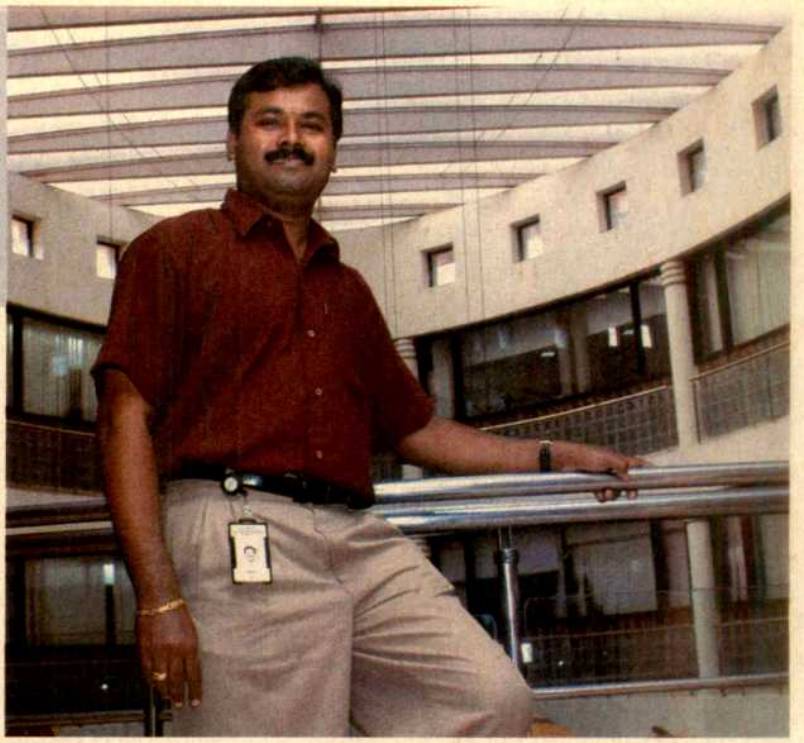
POST-SWITCH JOB
DESIGNATION: General Manager
COMPANY: HCL Technologies
PERCENTAGE INCREASE IN SALARY: 250 per cent

The IT industry is hiring hundreds of domain specialists

Suresh Raju

PRE-SWITCH JOB
DESIGNATION: Warehouse in-charge
COMPANY: Awalgulf Manufacturing, Bahrain

POST-SWITCH JOB
DESIGNATION: Senior Engineer
COMPANY: Symphony Services
PERCENTAGE INCREASE IN SALARY: 50 per cent



business well," says Srivastava. How do IT companies deal with their lack of technical skills? "We put them through an intensive two-month training programme to bring them up to scratch with our standards," says Srivastava. Vendors such as HCL are not the only IT services companies hiring mid-career domain experts. Companies such as Infosys are also aggressively hiring such industry specialists, especially, bankers. Both Infosys and its cross-town rival Wipro, incidentally, declined to comment on this trend.

"Domain specialists with 10-15 years experience are typically hired by enterprise software companies (like SAP or Oracle) which require their skills for industry-specific implementations or by application providers (like Infosys and Wipro) which need their expertise to translate banking jargon into a language coders can understand," says Anish Singh, CEO of Techbridge Networks, a Bangalore-based staffing outsourcing solutions company. The roles these industry experts undertake are significantly different in an IT company, compared to their functional Old Economy jobs (a bank employee working at the teller for example), he adds. "Someone from a manufacturing company could be sent to a factory or plant by an ERP (enterprise resource planning) vendor to understand the business and how IT can be used to enhance efficiency and productivity at the factory or work site. These are nuances that an engineer or a marketing person may miss while they plan or estimate a project," Singh says.

Arun Samak, 37, an accountant, leveraged his skills in planning and estimation to switch careers from retail to IT. He moved from the Indonesia-based Gajah Tunggal Group, South East Asia's largest tyre manufacturer, where he worked for five years in its retail division, to Tesco Hindustan, the UK retailer's tech operations in Bangalore. At

A Mid Career Switch

WHO'S HIRING: SAP, Oracle, Infosys, HCL Technologies and Cognizant, among others

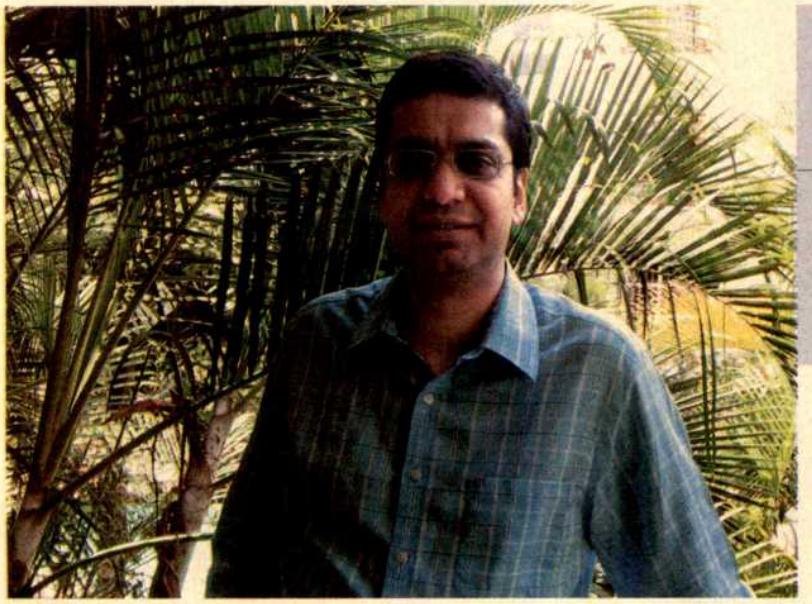
WHO ARE THEY HIRING: Deputy General Managers (DGMs), GMs, Chief GMs, etc, from public sector banks, manufacturing companies, retailers, etc

FOR WHAT: To decipher business jargon, explain sectoral nuances and head business units that involve client interfaces

AT WHAT SALARIES: Rs 14-16 lakh p.a. for DGMs, Rs 15-18 lakh p.a. for GMs, Rs 18-20 lakh p.a. for CGMs; for people lower down the hierarchy, starting salaries could be 50-300 per cent higher than their last drawn salary

WHAT'S THE TOTAL DEMAND LIKE: Exact figures are not available, but industry executives and HR consultants reckon that such hires could constitute 5-10 per cent of new hires this year. That's a total of about 5,000-10,000 new jobs.

from diverse fields to add depth to specific verticals



Sandilya Gopalan

PRE-SWITCH JOB
DESIGNATION: Head, Plant Commerical Op, Cairo
COMPANY: Procter & Gamble

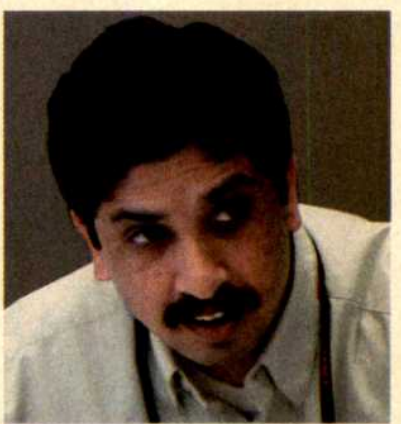
POST-SWITCH JOB
DESIGNATION: Consulting Director, Retail & Manufacturing Practice
COMPANY: Cognizant Technology Solutions
PERCENTAGE INCREASE IN SALARY: N.A.

N.A.: Not available

Tesco Hindustan, Samak is in charge of identifying specific projects that can be offshored to the Bangalore technology centre; he is also in charge of the nuts and bolts of transferring these projects into India. "There are several accounting skills, like budgeting, costing and estimation, that I continue to use even after I switched to the IT industry," says Samak.

Career growth and money are the two most persistent reasons for Old Economy veterans making the switch, but they aren't the only motives. "I worked with Procter & Gamble in Europe for nearly a decade. There's only so much you can do in a mature market growing at only a couple of percentage points annually. I longed for the buzz and excitement of working in a hot-growth environment. The promise of something dramatically new and different drew me to the IT industry," says Sandilya Gopalan, 39, Consulting Director, Retail & Manufacturing Practice, Cognizant Technology Solutions, who has worked extensively across Europe in the consumer goods market, where he gained experience in finance, supply chain and operations management. "Here, we (his team of domain specialists) are considered an asset, and not an expense item in the P&L Account. We have the necessary resources and support systems to deploy our domain expertise in client engagements," he adds.

Opportunities exist for relatively junior domain specialists as well. Suresh Raju, 33, a Senior Engineer at Symphony Services, has nine years experience in the manufacturing industry, including a stint at Titan Industries. "The chance to translate learnings from the shop floor at Titan to the glass and steel offices of Symphony, an IT services and solutions firm, was an opportunity I couldn't pass up. I now help develop software for one of the world's largest ERP vendors. My earlier hands-on experience comes in very useful in understanding the specific requirements of individual factories or manufacturing sites," says Raju, who, by virtue of being an engineer, was not a complete stranger to the world of IT.



Arun Samak

PRE-SWITCH JOB
DESIGNATION: Retail Consultant
COMPANY: Gajah Tunngal Group, Indonesia

POST-SWITCH JOB
DESIGNATION: Head, IT Transition
COMPANY: Tesco Hindustan Services
PERCENTAGE INCREASE IN SALARY: N.A.

The best part, from the recruiter's point of view, is that most of these Old Economy hands still retain some of their Old Economy values; they are stayers, unlikely to jump ship for a few thousand rupees more. "I'm in Tesco for the long haul since I have a well-defined growth path and the company is just rolling out its India plan," says Samak. Mallya of HCL echoes this sentiment. "The IT industry is not just for the geeks. There are huge opportunities for non-technical people who are able to establish themselves within a company or a business. My career has progressed rapidly and I don't see myself leaving HCL in the foreseeable future," he says.

And that means less competition for other domain specialists who are planning to make the switch.

Crunch Time

India Inc is facing a shortage of personnel in some sectors, but there's no let up in hiring.

TWO RECENT STUDIES—ONE CONDUCTED BY Manpower all over the world and the other produced by the Tamil Nadu chapter of the Confederation of Indian Industry—point to a massive manpower crunch in the country. The latter study reveals that as many as 50 per cent of the 140,000 engineering graduates and diploma holders who pass out of institutions in Tamil Nadu don't find suitable employment within one year; this figure declines to 40 per cent at the end of the second year. "The issue is one of 'employability levels'," says the study. "This shortfall will last 3-4 years. But things will change as industry develops linkages with educational institutions," says E. Balaji, COO, Ma Foi Consultants, a leading executive search firm. But the good news: of the 25 countries covered in the Manpower survey, the employment outlook for the third quarter of 2006 is strongest in India.

NITYA VARADARAJAN

The Skills Deficit

These functions face the largest shortage of personnel.

- Sales Representatives
- IT staff (Programmers, Developers)
- Accountants
- Marketing and PR executives
- Sales Managers
- Engineering/Technical Managers
- IT Managers/Project Managers
- Engineers
- Administrative Assistants
- Teachers

Total number of respondents: **4,382**

Employers indicating difficulties in filling up positions **13 per cent**

Employers indicating no difficulties in filling up positions: **87 per cent**

Margin of error: **+/-1.5 per cent**

Source: Manpower Employment Survey for Q3, 2006

COUNSELLING

HELP, TARUN!

Q: I am an electronics engineer with nearly two years experience in a KPO and the training industry. I want to study further, but not in the technical field, and also change my job. I am keen on pursuing an MBA (Finance) or exploring the field of computers. Please advise.

An MBA (Finance) would take you into the financial and management world while a further degree in computers may take you into the technical world. As you have worked in a KPO, ask some technical people what it takes to be successful. Also, ask those who have taken the MBA route and see what their job entails. Then superimpose your interests and aptitude and decide what's best for you.

Q: I have 35 years of experience in the textile industry. I have handled the materials management, supply chain management and the procurement division of some of the biggest textile companies in the country. Though I retired two years ago, I want to utilise the experience I have.

A good option is to go back as a part-time or full-time consultant in the textile industry. There may be smaller firms happy to take you on as a part-time consultant. Also, look at the apparel industry or the dyes industry or any other industry connected to the textile sector for openings.

Answers to your career concerns are contributed by Tarun Sheth (Senior Consultant) and Shilpa Sheth (Managing Partner, US practice) of HR firm, Shilputsi Consultants. Write to *Help, Tarun! c/o Business Today*, Videocon Tower, Fifth Floor, E-1, Jhandewalan Extn., New Delhi—110055.

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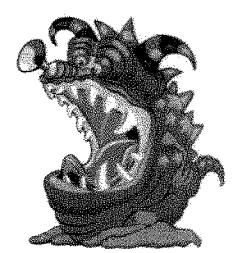

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Senior Management Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

Infotech Enterprises Ltd., GM/DGM/AGM - MIS, Hyderabad, 15 - 50 Years, 380620
Responsible to architect a technical solution based on the above study and execute it as per the plan. to manage the entire Software development life cycle in the process of executing the above determined plan, etc.

Karle Group Of Companies, Marketing Manager, Bangalore, 10 -15 Years, 403888
Candidate must have in-depth understanding of global marketing, ability to device marketing strategies to effectively develop business in keeping with the corporate vision. Should be expertise in sourcing raw material, costing, etc.

July Systems, Senior Engagement Manager, Bangalore, 15 - 27 Years, 2117998
Will work with multiple internal business units/groups to develop integrated program plans that capture all key inter dependencies, present program plans, risks, project structures to customers in a professional structured manner, etc.

Hornbill Resources, General Manager- Software Division, Hyderabad, 15 - 25 Years, 2069038
Candidate will plan, coordinate and direct all internal activities to achieve stated targets and standards production, product development, and quality performance.

Honeywell, Enterprise Architect, Bangalore, 8 - 12 Years, 1966139
The person will interact with both technical / business management level staff as well as counterparts outside the organization, etc.

Gates Computing Pvt. Ltd., Business Development Manager, Mumbai, 10 - 15 Years, 202229
Must identify new opportunities for business with existing and new clients, manage client relationships, work with center staff to provide the necessary service required for on-going customer satisfaction, support customer acquisition activities including trade shows, networking functions, email marketing, and seminar events.

Wipro Limited, Principal Consultant, Bangalore, 10 - 15 Years, 2118120
Will define entry strategy for each of the segment, execute the entry strategies, keep the vertical specific internet-sites relevant etc. Experience in marketing of services in US/Europe is essential.

H R Steel (P) Ltd., Accounts Manager, Delhi, 7 - 15 Years, 2118156
The candidate should be independently able to handle all account related functions including finalisation of accounts, submission of all statutary returns, liasining with auditors, coordination with inter-branches etc.

Colourroof India Ltd., Company Secretary, Mumbai, 12 - 15 Years, 2118387
The candidate will be involved in corporate secretarial functions, public issues, corporate affairs, legal, statutory compliance with well known organisations. The candidate should be a ACS.

Ogilvy & Mather Pvt. Ltd., Account Director, Hyderabad, 8 - 12 Years, 2097334
Responsible for managing cross functional resources, advertising & communication development for clients & their brands, generate targeted revenues, managing senior level client relationships etc.

First Indian Corporation Pvt. Ltd., AGM - F&A Operations, Bangalore, 12 - 16 Years, 2116940
Should have work experience in general accounting, public accounting and must be familiar with and understand US and India GAAP. He should have handled transition/ migration implementation.

Sarnoff Corporation, Project Manager, Bangalore, 7 - 10 Years, 2117743
Must accomplishe project resource objectives by selecting, training, assigning project milestones, scheduling work, counseling, and mentoring employees, achieve project operational objectives by contributing information and recommendations to strategic plans and reviews.

Shalina Laboratories, Execut Excise, Mumbai, 8 - 10 Years, 19476
Job involves implementation and compli of central excise and service tax laws maintaining all excise records, filing returns, declaration under Central Excise and Rules etc.

Aztec Software & Technolo Services Ltd., Java/ J2EE Archite Bangalore, 8 - 15 Years, 1981156
Responsible for the architecture - inclusiv the subsystems and their interfaces, modelling. Will architect, design implement scalable enterprise-wide applications.

RRAP Software Pvt. Ltd., T Manager, Chennai & Mumbai, 8 - 12 Years, 2115202
Candidate should be technically driven har on person who will estimate, plan, mon coordinate and control projects. Creati process oriented approach to ensure products delivered are of high quality.

SQL Star International, T Manager, Bangalore, 7 - 12 Ye 2009894
Responsibilities include handling a tean test engineers and interacting with client. M be very good at creation of test plans, environments, estimation and framew Experience in software testing will advantage.

ISTQ Solutions Pvt. Ltd., Pro Manager (Development), Bangal 9 - 15 Years, 2115479
Role involves project micro-level t planning, tracking, issues identification resolution, approve all project docum prepared by technical team etc. Should experience in leading and mana application development in VC++, C++.

Sobha Developers, Project Mana Bangalore & Mysore, 7 - 15 Ye 2115396
Will be in charge of individual projects completion within specified parameter quality, cost and time. The candidate have experience in building construction.

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IT Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

MAQ Software, Software Test Engineer / Test Lead, Mumbai, 2 - 6 Years, 1988592
Must have experience in working on a Microsoft account that is employee of Microsoft Corporation or Microsoft vendor employee.

Intraspatial Softech Pvt. Ltd., Photogrammetrist & CAD Engineers, Bangalore, 0 - 6 Years, 2120360
Candidates will be responsible for data compilation from aerial photographs using our high end photogrammetric softwares, adhering to the quality and specifications of the projects.

Oracle India Pvt. Ltd., PL / SQL, Oracle DBA, Bangalore, 3 - 9 Years, 2119679
Responsible for performance testing, benchmarking, scalability testing, stress testing as part of pre release activities for EM, system testing activities, etc.

InfoCepts Technologies Pvt. Ltd., Network Engineer, Pune & Nagpur, 3 - 6 Years, 1942833
This role requires network, applications, systems and workstation services to support client user communities on a well-defined engagement.

BSR IT Solutions Pvt. Ltd., WAN Engineer, Bangalore, 5 - 7 Years, 2121081
Will provide effective production support including accurate problem identification, ticket documentation and customer/vendor dialogue, document small-to-medium scale projects and delivers presentations with minimal supervision.

Allianz Cornhill Information Services Pvt. Ltd., SAS Programmers/ Consultants, Thiruvananthapuram, 2 - 5 Years, 2120372
Will work effectively with customers, analysing their needs, solving problems and agreeing and delivering solutions which meet real business needs, develop, enhance and maintain systems for the business and service divisions of the company etc.

Optimos India Pvt. Ltd., Network Administrator, Pune, 3 - 4 Years, 2045684
Responsibilities include management and support of multi-location IT-Infrastructure including installation and maintenance of CISCO Router, PIX Firewall, Microsoft VPN, managing users on Microsoft 2003 active directory environment, monitoring network and servers usage and health.

Infrasoft Technologies, Java (Struts) Professionals, Mumbai, 3 - 8 Years, 2120863
Should have been involved in various phases of SDLC with extensive experience in high level designing & development of various application architecture.

DNDC Infrastructure Ltd., C++ Developer, Mumbai, 2 - 4 Years, 2099219
Must have strong core C++ and ASP.Net development experience, excellent understanding of OO design concepts and must have good understanding and work experience on relational databases and use of SQL queries.

Deloitte, SAP HR & Payroll Consultant, Hyderabad, 2 - 7 Years, 423764
Should have consulting experience in the SAP space, with depth in implementing & configuring various SAP applications, primarily HR, benefits, payroll & time management.

Winsoft Technologies (I) Pvt. Ltd., Web Developer, Pune, 2 - 5 Years, 2120272
Will develop web based front-ends, screen layouts using web authoring tools, develop user interfaces including visual appearance, interactive behavior and assistive capabilities.

Intelligroup Asia Pvt. Ltd., Senior Consultant / Principal Consultant, Bangalore, 5 - 12 Years, 2121886
The candidate must have SAP - SEM, CRM, APO or Data warehousing skills like Cognos, BO, and SAS and should have SAP BIW experience with atleast 2 -3 end to end implementation experience.

Genesis Microchip, Software Architect, Bangalore, 6 - 10 Years, 2119849
Primary responsibilities include defining SW requirements & software architecture for GNSS products & platforms. Will work with external & internal groups to better architecture future software systems, development of system software & core technology for DTV type embedded digital platforms.

Materials Software System (I) Pvt. Ltd., Technical Project Manager, Bangalore, 10 - 15 Years, 2119669
Responsible for efficient and effective project operation and feature improvements for small to medium sized initiatives and projects. Candidate must have knowledge in C, Solaris, Linux shared file systems, Linux distributions, Linux I/O path, SAN environment, and network administration.

Syncata India Pvt. Ltd., QC - Testers / Sr. Testers, Noida, 3 - 6 Years, 1853435
Candidate should have hands on with all test tools like Rational Test Studio,WinRunner, LoadRunner, Silk Performer, Silk Test. He is responsible for technical documentation of tests results and program specifications including test failures and successes.

Verizon Data Services (I) Pvt. Ltd., Mainframe, Chennai, 2 - 5 Years, 2120746
The ideal must have good knowledge of MVS, TSO/ISPF, COBOL, JCL, VSAM, IMS, DB2, PL/I, Lotus Notes etc.

Transdyne IT Services Pvt. Ltd., Senior Visual Basic - ASP/ .NET Programmer, Hyderabad, 4 - 5 Years, 1834958
Should have excellent knowledge of VB, ASP, SQL Sever, web programming skills, VB Script, software development fundamentals, software design, software testing etc.

CoreObjects (I) Pvt. Ltd., Engineering Lead, Bangalore, 6 - 11 Years, 2116333
Responsible for understanding the business requirements, translating them into technical requirements, high level design of sub systems of moderate complexity etc.

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Sales and Marketing Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

OCWEN, Senior Manager - Project Transitions, Bangalore, 5 - 6 Years, 2110117
Will develop a business case with process engineering solutions, technology requirements and RDI analysis, manage multiple transition projects from design through implementation, support the sales and business analysis process on request etc.

R.S.G. Infotech Pvt. Ltd., Corporate Sales, Mumbai, 1 - 4 Years, 2102089
The desired candidate should have strong sales orientation, focus, target oriented etc. Candidates with sales IT background and experience will be preffered.

Vipul Engineering Equipments, Marketing Manager, Mumbai, 5 - 10 Years, 2118359
The candidate should know the latest marketing strategies and to deal and negotiate with customers.

ABS Wastewater Technology Pte., Area Sales Manager, Mumbai, 5 - 6 Years, 2124356
Primary responsibility of managing sales activities in India, including selling wastewater treatment equipment to municipal governments, managing distributors, and driving project sales.

Bar Code, Sales Manager- IT, Delhi, 3 - 5 Years, 425236
Job involves business development, demand generation and to achieve the sales targets assigned, to device and implement the business promotion strategies and must be able to devise innovative applications.

StrataGEoSystem Pvt. Ltd., Sr. Engineer (Marketing), Mumbai, 2 - 5 Years, 2123701
The job requires interaction with consultants and government departments such as NHAI, MSRDC, State PWDS, etc. to specify the technology at the pre tendering stage, marketing of various geosynthetic products like geogrids, reinforced soil walls, reinforced soil slopes, geotextiles etc.

Pavan Systems, Marketing Executive, Bangalore, 1 - 5 Years, 2123625
The ideal candidate is responsible for selling IT products and elearning products to corporates and responsible for coordinating meetings, follow ups etc.

Aastha Publications Pvt. Ltd., Assistant Sales Manager, Hyderabad, 3 - 4 Years, 2122178
The ideal candidate should have experience in consumer durable industry and must have a sound knwledge of sales and marketing.

Messung Systems, Asst Manager (Servo Sales), Baroda, 4 - 13 Years, 2124104
Analyzes geographic territory, customer requirements, competitive activity to develop sales plans and achieve goals, current market condition, promote sales by calling on assigned, established, & prospective customers.

TollfreeIndia.com Pvt. Ltd., Jr. Engineer - Marketing, Mumbai, 2 - 4 Years, 293171
Candidate will be required to interact with our customers who comprise of best of breed telecom integrators like Siemens, Nortel as well as GSM/CDMA wireless carriers such as Airtel, Relaince, BPL, Hutch etc.

Goodlass Nerolac Paints Ltd., Divisional Sales Manager - Decorative Sales & Marketing, Kolkata & Mumbai, 10 - 12 Years, 2122329
Implement marketing plan and promotion, pricing, product mix & distribution policies of the company in the zone, ensure implementation of sales promotion schemes, review dealers network, strengthen for effective coverage and ensure timely availability of stocks at dealers end through right forecasting.

Transasia Biomedicals Ltd., Sales Administration, Mumbai, 2 - 6 Years, 2123481
The role involves to create MIS & get it audited, enter new customers in masters, to do follow up with customers for orders, etc.

Cybertech Systems and Software Lt Sales Executives (Tele), Mumbai, 1 - 4 Years, 2046966
Will be involved in tele-selling to the prospects, creating interest in the compa offerings, gathering information / resea participating in the presentation, coordina prospects meetings helping in areas presales.

Silicon Interfaces Pvt. Lt Marketing Support, Mumbai, 0 - 2 Years, 2120977
Will coordinate with vendors/distributors supplies and will assist in marketing by finc new high margin profit generating produ The required candidate must have knowle of computers.

P & M Infrastructures Pvt. Lt Marketing Head, Mumbai, 8 - 10 Years, 2119716
Will head the dynamic team responsible strategizing and implementing the ove marketing of multiplexes and shopping m in Bihar and Jharkhand - including develop the sales/retail plan.

Sharpline Automation Pvt. Lt Marketing/ Sales Engineer, Mumb 1 - 2 Years, 2121486
The candidate should have experience marketing of automation products/mach retrofits. Prior knowledge in machine tool fanuc / siemens CNC / PLC systems will added advantage.

Linepro, Marketing Executi Mumbai, 1 - 20Years, 2123680
Develope more business by making const contact with clients and cordination w customer care executive in office, explore opportunities for the companies growth electronic industry, make suggestion improving market share, market analysis report to managment monthly.

Adarsh Industries, Sales Executi Mumbai, 0 - 4 Years, 2122434
Candidate will be involved in identifying requirements, marketing, presentatio preparation of offers, finalyzing the contr and meeting the set targets.

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Detection Instruments, Credit Controller, Mumbai, 1 - 2 Years, 2105697
Must have hands on experience in collection of payments receivables from customers in coordination with related departments. Must have ability to draft necessary documents required for the job.

Fanuc India Pvt. Ltd., Tax Officer, Bangalore, 2 - 5 Years, 377385
Candidate should have experience in dealing with all tax related issues, arising in the course of business of a corporate enterprise. Must have strong practical working knowledge of sales tax, excise duty, service tax, customs, income tax and other related legislation.

3J Tech, VP - Finance, Chennai, 15 - 25 Years, 2121373
Will identify and source for funds and mobilize them in tune with the requirement, coordinate with all PCH (profit center heads) in analyzing the budgets, advice management on the effects of change in the provision to tax laws etc.

Whistling Woods International Ltd., Accounts & Finance Manager, Hyderabad & Mumbai, 5 - 7 Years, 1935866
Responsibilities include maintenance of proper books of accounts, handling taxation, ensuring legal compliances with company law and tax laws, handling MIS and reporting to executive director etc.

Aneja Associates, Chartered Accountant, Mumbai, 0 - 1 Years, 2127763
The required candidate must have operational and management auditing experience in manufacturing, banking, information technology, SAP implementation etc.

Janakalyan Sahakari Bank Ltd., Dy. Manager/Manager - Credit, Mumbai, 5 - 7 Years, 2119354
Role involves assessment of credit requirement, preparation of credit proposals keeping in view the working capital as well as term loan requirements, analysis of financial data, financial position and calculation of various ratios required for proper assessment of credit proposal.

Sri Krishna Jewellers, Asst Finance Controller, Hyderabad, 8 - 15 Years, 2103084
The incumbent should have experience in handling bankers, loans, budget matters, debts, conversion into limited company, IPOs, finances, liason with related departments etc.

Aargee Systems, Finance & Accounts, Mumbai, 0 - 3 Years, 1965371
The ideal candidate should be aware of all the accounts activities like TDS, income tax, service tax etc and should have extensively worked on Tally. He should be able to handle all the accounts activities independently.

Minda Industries Ltd., Leader - Finance & Accounts, Pune, 4 - 9 Years, 2107466
Should have thorough knowledge and experience of accounts related issues like budgeting, finalisation of balance sheet, taxation and auditing. He will lead a team of accounts professional and will be reporting to Divisional Head of Plant.

Interface Cybertech Pvt. Ltd., Manager-Finance & Accounts, Hyderabad, 6 - 12 Years, 2106937
The job involves generating all the required reports, interacting with the auditors, ensuring their by periodical accounts quarterly, half yearly, yearly etc are audited. Knowledge of US payroll, laws, social welfare benifits, insurance cover all employees covering US regulations.

IBM Daksh Business Process Services Pvt. Ltd., Senior Executive - Payroll (Finance), Mumbai, 1 - 2 Years, 2108868
Should have experience in accounting, preferably in a BPO industry having handled payroll for a strength of 1000 employees and also employee reimbursements and must be good with Microsoft tools.

Indegene Lifesystems Pvt. Ltd., Financial Analyst, Bangalore, 2 - 10 Years, 2031708
Job involves project coordination, accounting global. The candidate should have experience in accounts, managing a/c and good exposure in the MIS department with respect to service industry.

Technical Systems Corportation, Manager - Accounts & Finance, Mumbai, 4 - 6 Years, 2101037
Should be familiar with aspects of business such as law, corporate governance, and portfolio management, resource planning and marketing. Candidate must have knowledge of changing management and IT practices.

USi Internetworking Solutions Pvt. Ltd., Associate Manager - Finance & Accounting, Hyderabad, 3 - 6 Years, 2101902
Responsibilities include supporting internal/statutory/tax audit, ensure adequate business controls, intercompany reconciliation, bank coordination and provide support in consolidation of corporate financials.

G.P. Sentheviel C/o. Synergy People Solutions Pvt. Ltd., Finance Executive, Bangalore & Chennai, 1 - 4 Years, 2122209
Role involves accounts payable, accounts receivable, monthly reduction of AR & WC management, bank reconciliation, dealing mainly with sales tax etc.

Ikanos Communications (I) Pvt. Ltd., Financial Cost Analyst, Bangalore, 3 - 6 Years, 2110952
Candidate will be involved in financial costing / valuation of inventory and WIP, monthly financial reporting, budgetary forecasting, variance analysis and analysis of fixed and variable costs.

Otis Elevator Company (I) Ltd., Executive Finance, Delhi, 2 - 7 Years, 2043676
Job involves preparation of cash report, processing of MER/professional bills/sub contractor bills, complete banking transactions etc.

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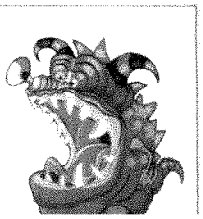


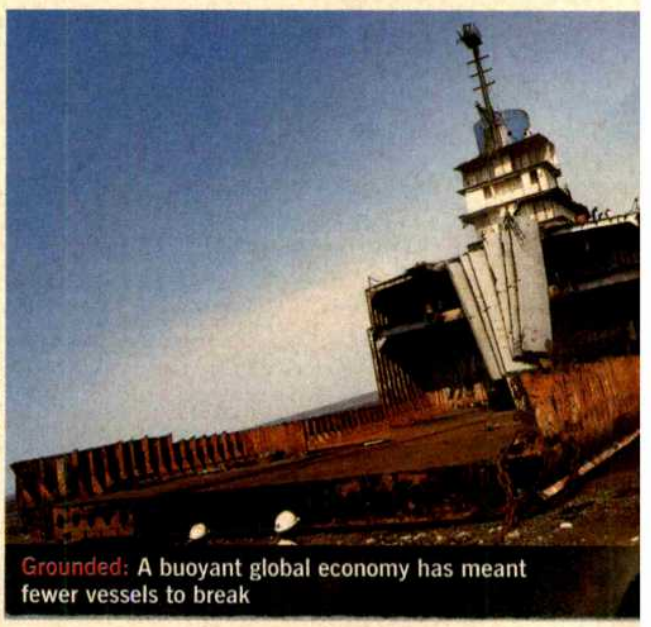
The Slow Death Of A Graveyard

Place of final rest: Steel from the dismantled ships is sold to re-rolling mills on the road to Bhavnagar

Even as Alang awaits the arrival of another vessel laden with asbestos, the *Blue Lady*, its ship breakers know that their days are numbered. KUSHAN MITRA

ALANG-SISOYA
Tuesday, June 20, 2006

THE GROUND SHUDDERS AS A MASSIVE PILE OF steel comes crashing down. Until then, that monstrous piece of metal used to be the cargo doors of a ship. I am standing on Plot 54 on the Alang beach, talking to Manish Shah, Executive Director of Rushil Industries. Not far away from where we stand, a gang of workers, wearing safety gloves, gum boots and masks (unlike five years ago), is cutting into the hull of a ship with ordinary blowtorches. All around us on the beach are tens of massive rusting carcasses of ships, waiting to be picked clean not by vultures, but humans. When you are a ship, Alang is your final port of call. A place where you drop anchor for one last time and await rebirth not as another vessel but twisted rods of steel. Alang is one of the world's biggest ship breaking yards. And Shah, who's spent almost 20 years in Alang, is one of the 150



PHOTOGRAPHS BY SOUMIK KAR

Grounded: A buoyant global economy has meant fewer vessels to break

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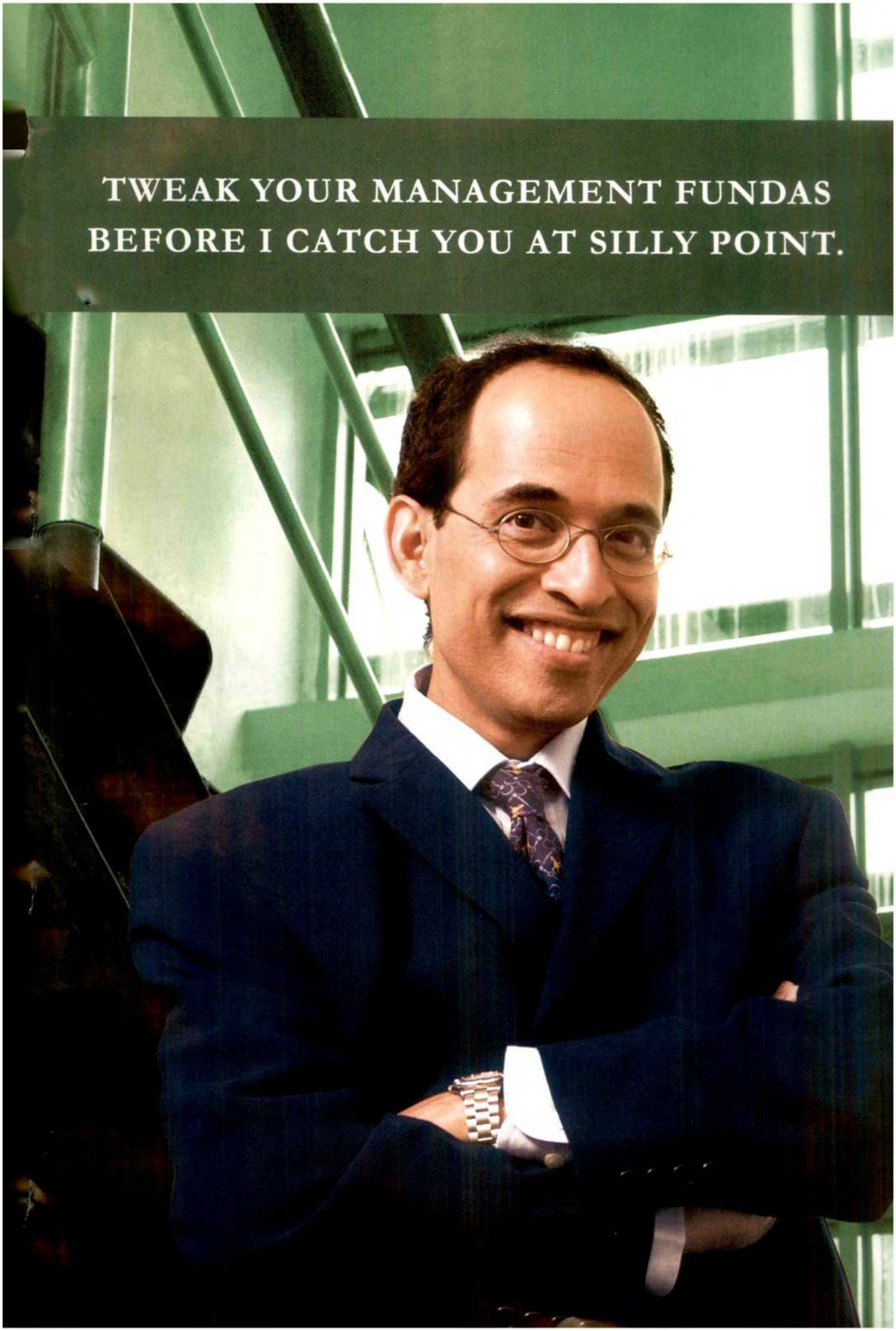
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ship breakers around here.

Sometime next week, a controversial ship will run aground on Plot 5 of Alang beach. Called the *Blue Lady*, it is a 46-year-old cruise ship owned by Star Cruises, which has decided to sell it as scrap to Rajeev Reniwal in Alang. That's 46,000 tonnes of steel, besides furniture, cutlery, wooden cabinets etc. Still, the mood in Alang is grim—not because the 315-metre long ship (more than four times the size of Delhi's Qutab Minar) carries toxic asbestos in its piping and has raised the hackles of environmentalists. The ship breakers don't care because India's Supreme Court has already allowed its entry into Indian waters. And neither are they worried about the wave of resentment that is sweeping across France against Star Cruises for destroying what many French consider a piece of national history (among others, legendary Spanish painter Salvadore Dali travelled on this cruise ship, where eight crewmen died after a boiler room blast in 2003, prompting the owners' decision to junk it).

No more junk: Rajkumar Bansal is not sure how long he can swim against the tide

The mood is sombre because Alang, once the world's largest ship breaking centre, is dying a slow death. Five years ago, 333 ships met their fate in Alang, two years ago the number fell to 294, and in the first half of last year, the count was a mere 66. In terms of steel recovered, the quantity has plunged from 2.72 million tonnes to just 310,000 tonnes, and the number of workers has dropped from 50,000 to about 10,000 today. "So many people have already left that I don't know how much longer I can carry on as well," says Rajkumar Bansal, proprietor of Shridi Steel Traders and President of the Ship Recycling Industries Association, who owns plots 40 and 41. I believe him. Earlier in the day, our local cab driver had brought us up to speed on the desperate state of affairs in Alang. "Even the prostitutes have left Alang," he had told us with a laugh.

There are two reasons why Alang is going downhill. One is the robust global economy, which means no fleet owner wants to junk a vessel when it can be kept in service profitably. So, there aren't as many ships available for recycling. The other reason has to do with the capacity addition in Indian steel industry. An abundance of steel from primary producers has meant

Losing labour: Despite lucrative wages (up to Rs 400 a day), Alang has seen an exodus of workers

that recycled steel from the re-rolling mills is no longer competitive. Lower prices mean that Alang's ship breakers aren't able to bid aggressively for ships. In fact, they are increasingly being outbid by Bangladeshi rivals. "We can only pay between $325-350 (Rs 14,950-16,100) per tonne for the big ships, but in Bangladesh they are willing to pay as much as $400 (Rs 18,400)," says a former Alang ship breaker who quit the business in frustration. Unlike India, Bangladesh is a steel-scarce country.

Mind you, that's despite the ship breakers picking their vessels clean. On the road to Alang, you can buy just about everything from inside a ship: lifeboats, kitchen utensils, sofas, cabin doors and even medical supplies. "That's why so many of the village huts nearby have doors," my driver tells me with a grin. But even here, the business is bad, other than for utensils. The machinery plants, where old ship engines and generators are refurbished, are barely surviving. In Bhavnagar, the entry point to Alang by air, the main hotel "Sun 'n' Shine" reports only 30 per cent occupancy. "I am lucky if the hotel makes any money," sighs Rajiv Sharma, its general manager.

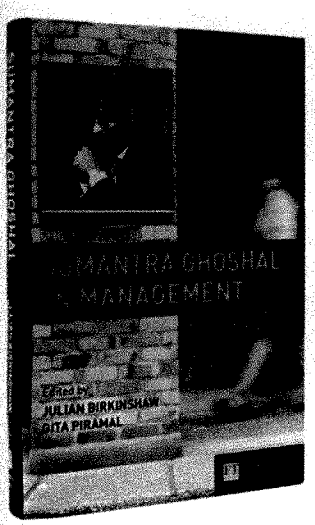
But the only optimist in Alang, Manish Shah of plot No. 54, is keeping his chin up. "Listen," he tells me and I do, "ships will always have to be broken, the economy will turn and the business will be good in a few years. Will it be back to what it was? Unlikely, but it can't remain this bad. The *Blue Lady* coming here will get us good attention." When it's your job to lay to rest the hopeless, it makes sense to have hope yourself. ■

The Greater Goal

A collection of Sumantra Ghoshal's finest work reinforces the relevance of his contrarian views. R. SRIDHARAN

SUMANTRA GHOSHAL ON MANAGEMENT
A Force For Good

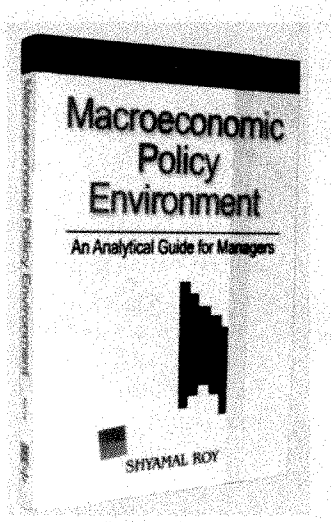
Edited By Julian Birkinshaw and Gita Piramal
FT Prentice Hall
Pp: 378
Price: Rs 550



SUMANTRA GHOSHAL WASN'T YOUR TYPICAL management 'guru'. He didn't believe in hype, clever buzzwords or becoming a management star himself. (The fact that he did end up becoming one is another matter.) Unfashionably, the London Business School professor of strategic and international management, who died much ahead of his time in March 2004, focussed on issues that no one in the heady decade (the 90s) of globalisation seemed to be bothered about. At a time when most of his peers were busy coaxing managers to first globalise and then worry about its consequences, Ghoshal, who left the Indian shores in the early 80s, was urging them to look at management challenges. His *Managing Across Borders*, followed by an even more incisive *The Individualized Corporation*, drew the global manager's attention to the fact that in a globalised market, the strategic choices one must make aren't unidimensional but multidimensional. Just before he died, Ghoshal had started focusing his attention on what he considered a far greater purpose of the organisation: societal benefit. Once again unfashionably, he argued for "a good theory of management". In an eponymous paper co-authored with Peter Moran, Ghoshal maintained that "there is no inherent conflict between the economic well-being of companies and their serving as a force for good in societies". But for that "managers must escape from the quagmire of evasion that they find themselves trapped in, and develop not only an economic but also a moral foundation for their practice".

Unfortunately, Ghoshal died before he could build on his theory. But thanks to Birkinshaw and Piramal, a larger audience will now be able to discover, perhaps rediscover, some of Ghoshal's most important thoughts that preceded his theory of good management. As Birkinshaw, also a professor of strategic and international marketing at the London Business School, points out in his introduction, Ghoshal did not lay the blame for corporate misadventures entirely on the shoulders of managers. He held his peers at various business schools, management consultants and business media equally responsible for leading corporations astray. Maybe that's a reason why he could get another management iconoclast, Henry Mintzberg, to collaborate with him.

Today, when multinational companies are having to resolve a large number of conflicting issues (managing the parent company's interests vis-à-vis those of joint ventures or associates elsewhere, for example), Ghoshal's call for multidimensional management and good management appears even more relevant. This anthology is a must-read if you are tired of the usual yada yada on management. ■



MACROECONOMIC POLICY ENVIRONMENT

By Shyamal Roy
Tata McGraw-Hill
Pp: 300
Price: Rs 295

HERE'S THE FIRST GOOD THING about IIM Bangalore professor Shyamal Roy's book: It's written with the same simplicity, clarity and understated humour that he uses in the classroom (take the reviewer's word for it). The other good thing about it: There are no mind-numbing charts and tables that are usually found in most books on macroeconomics. Therefore, if you still get stumped by terms like GNP and GDP, or have trouble telling the difference between revenue deficit and fiscal deficit, you'll find Roy's guide book extremely useful. The book is divided into seven convenient sections, covering everything from a basic introduction to macroeconomics to fiscal policy to monetary policy (RBI's tweaking of money supply). The explanations are so lucid that Roy, who's worked with the World Bank and the Brookings Institution too, could well have titled his book, "Macroeconomics for Dummies". In other words, it's a macroeconomics guide you'd want to keep within your arm's reach.

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Open Sky comes free with Business Standard, next issue on 7th July 2006.

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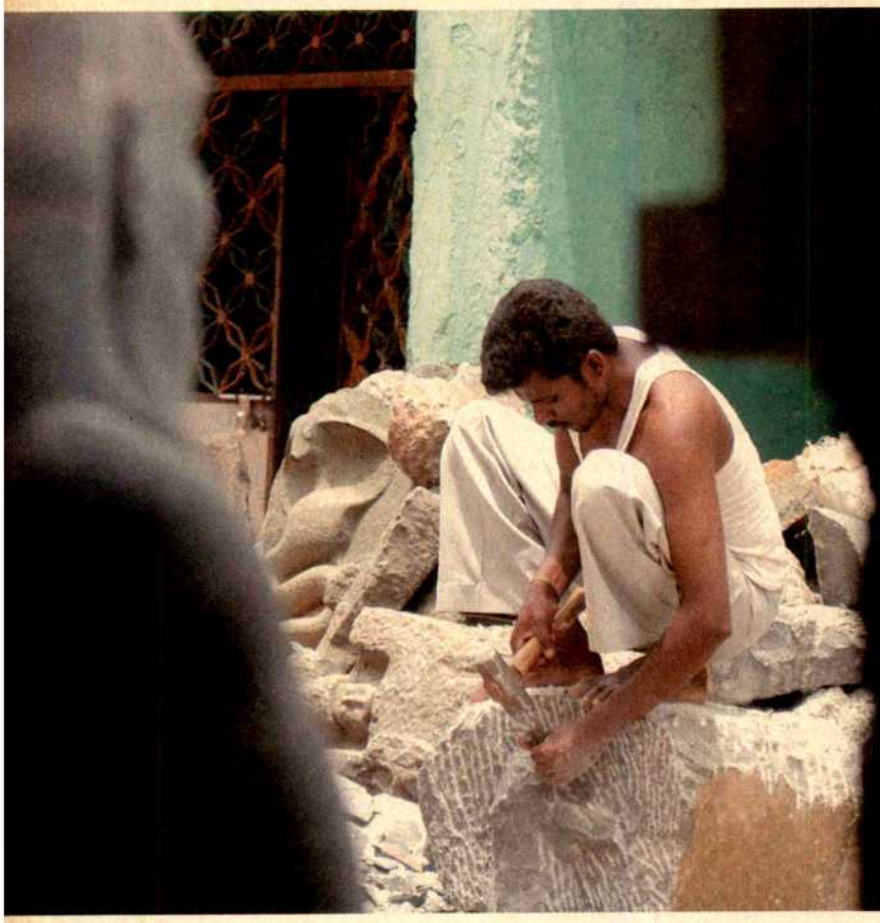


Where The Stones Come Alive

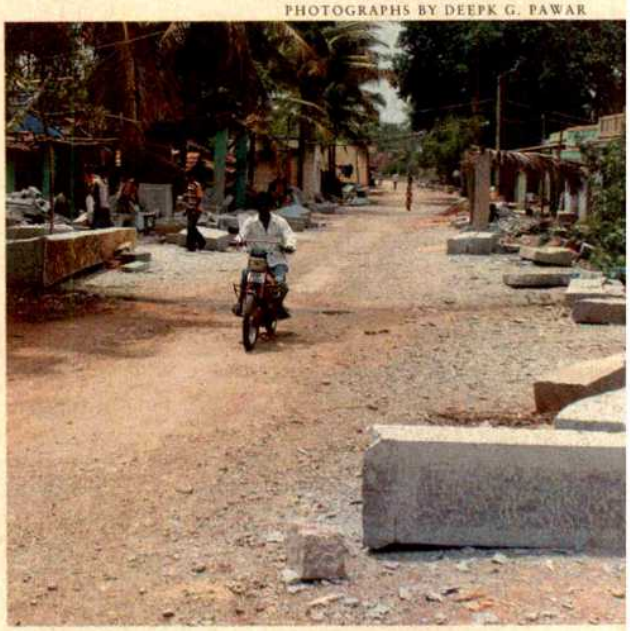
Most Hindu temples abroad, and some in India, too, source their statues from Shivarapatna village in Karnataka, where secrets of the trade have been passed down from generation to generation. But the current generation of stone carvers may be the last.

VENKATESHA BABU

PHOTOGRAPHS BY DEEPK G. PAWAR

IF YOU HEAD OUT OF BANGALORE, TAKE NATIONAL Highway 7, drive north by northeast towards Kolar (famous for its now-defunct gold mines) and make a detour towards Malur from there, all you will see are swaying paddy and ragi crops. Picturesque, but not very different from a majority of the six lakh plus Indian villages, one might say. That is true till you hit (and the chances are you will, in all probability, miss) Shivarapatna, a remote village located just a few hundred metres away from the main road. But ask and you will be told where it is. Visitors from across the world do that round the year. There's a reason for this.

As you enter the village, you are greeted by the delicate sound of hammers and mallets (called *ulli* and *sutthi* in the local lingo) chipping away at granite or marble blocks. Scores of *shilpis* (sculptors) are bent over their tools in their respective front yards, carving images of gods, goddesses and mortals, just as their forebears had done for centuries. All the 180 families in the village are connected to this trade in one way or the other. Statues of Lord Venkateshwara, Lord



Shivarapatna: A village like no other

Petty profits: Low returns are making this profession unattractive for villagers

Age-old legacy: All the 180 families in the village are engaged in carving images of gods, goddesses and mortals

Ganesh, Goddess Lakshmi and B.R. Ambedkar are in various stages of completion.

Welcome to Shivarapatna, the village of sculptors. Shankarnarayana Charya is a 14th generation sculptor and winner of numerous awards, including the President's Medal. His small house is filled with medals, citations and certificates from the central and state governments and from satisfied clients. "My statues have been shipped to Ichigan (Michigan), Sanpaddru (San Pedro) and Glassugu (Glasgow)," he says proudly. Idols made in this village adorn numerous Hindu temples in the US, UK, Germany France and Australia. Adds S.B. Nanjundacharya, an octogenarian who still spends six hours every day chipping away at stone: "Most of us are descendants of Amara Shilpi (immortal architect) Jakanchari, who designed the world famous (13th century) temples in Belur and Halebid. Sculpting runs in our blood."

That is almost literally true. Children in the village are initiated into Shilpa Shastra, the ancient Indian art of architecture, design and sculpture, at the age of five. They begin by sketching and graduate to full time sculpting only after 10-15 years of rigorous training. "Shilpa Shastra teaches you all about proportions; say, if the face is of a particular size, then the nose, eyes, lips and ears have to be of a particular dimension. Once a person masters this, the rest just falls into place," he says. Adds Nanjundacharya's son, S.N. Tyagarajacharya: "Initially, we copy and emulate our elders; later, as one matures and picks up the finer aspects of the art, one also develops an individual style." Every family has its distinctive secrets which are guarded fiercely and handed down from generation to generation. "I won't even teach my son-in-law some of the tricks of the trade; those are reserved for my son," says Kumar Acharya, a veteran carver.

Statues are usually carved out of Krishna Shila (black granite) and Balapada Kallu (soap stone) though marble and Kempa Kallu (red granite from Jaipur) are also used. The most popular and in-demand statues: Hindu gods and goddesses, Ambedkar, Mahatma Gandhi and Jawaharlal Nehru. "All we need is a photograph of the leader or a replica of a statue," informs Nanjundacharya.

Padmanabhacharya: Where are the profits?

But in spite of the demand for their statues and the high prices they command—in India a lifesize idol can cost Rs 15-20 lakh at the retail end; abroad, this rises to $50,000-80,000 or Rs 23-36.8 lakh, (prices vary according to the stone and the amount of carving that needs to be done)—most of these sculptors are very poor. Says S.B. Padmanabhacharya, a Karnataka state award winner: "Government support is non-existent. And middlemen take away all the profits. I don't want my grandchildren to become sculptors. They should study and work in air-conditioned offices." Most sculptors also suffer from diseases like piles and lung infection—a consequence of the long hours they spend sitting in difficult postures and inhaling stone dust. "We work with gods and others pray to the idols we make, but God does not seem to hear our prayers," adds Padmanabhacharya.

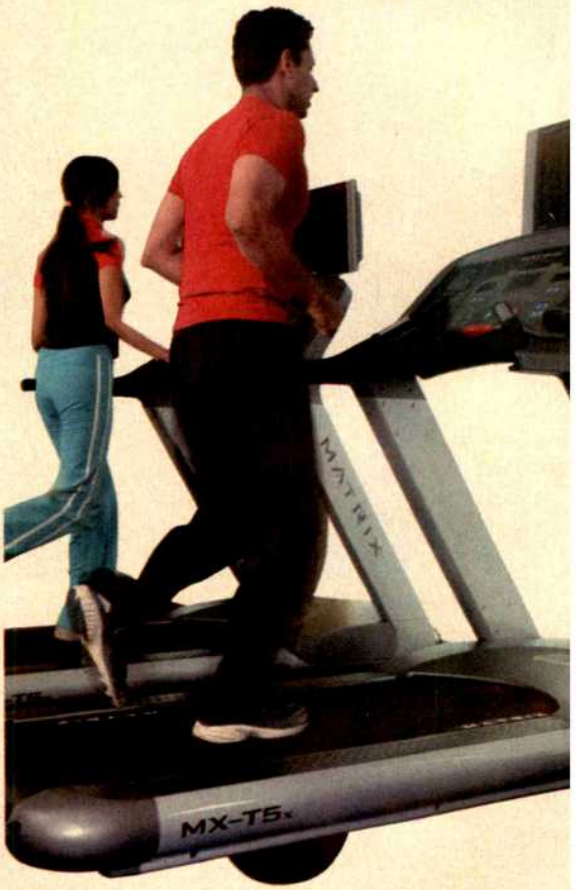
Your Own Home-gym

IF YOU HAVE MONEY TO BURN, AT LEAST RS 4,00,000 OF IT, THERE IS NOTHING QUITE LIKE A home-gym. you won't have to wait for your turn on the treadmill, explain the concept of alternating to steroid-stoked hunks lacking in grey matter, or put up with what most gymnasiums try and pass off as music. MUSCLES MANI

Stationary Bicycle

Get a recumbent bike that has lumbar support and exerts minimal pressure on your knees. Special features can include ergonomically designed groove seats, multiple programme modes, LED indicators, upgraded data window readouts and resistance adjustment. Major brands: Cybex (US), Life Fitness (US) and Techno (Germany).
PRICE RANGE: **Rs 95,000 to Rs 3,00,000**

PHOTOGRAPHS BY RITESH SHARMA



Treadmill

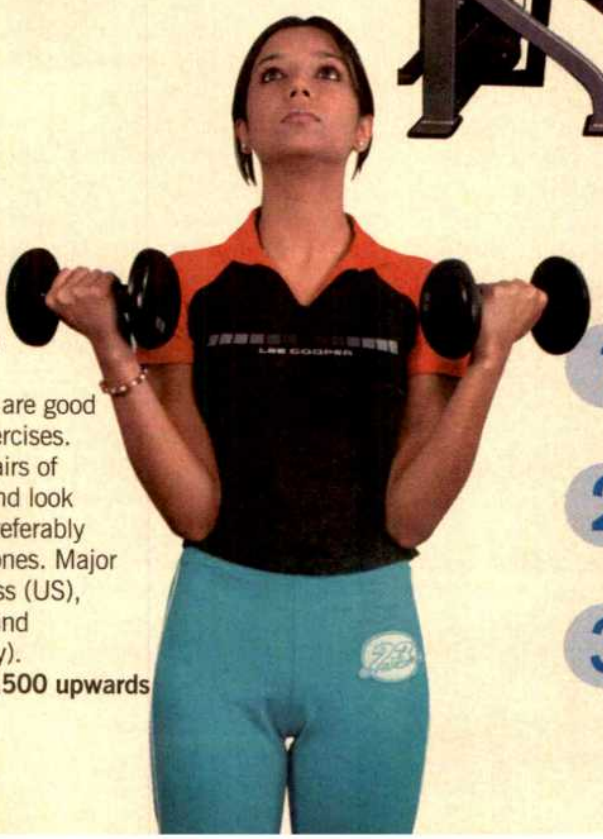
It's the building block for a good cardiovascular workout, so don't be tightfisted when choosing one. Treadmills can be used for walking, jogging and even sprinting, so choose a sturdy one that has accurate motor and good displays. Look for features like built-in heart rate monitoring, display speed and elevation. Major brands: Cybex (US), Life Fitness (US), Techno (Germany) and JKExer (Taiwan).
PRICE RANGE: **Rs 2,15,000 to Rs 6,60,000**

Benches

A bench is a must for your home-gym. You can get different types of exercise benches—inclined benches, utility benches, flat benches, multi-adjustable benches, ab crunch benches, leg raise benches and arm curl benches. Get one where the angle is adjustable so that you can do exercises that call for inclines or declines. Major brands: Cybex (US) and Life Fitness (US).
PRICE RANGE: **Rs 8,500 to Rs 1,46,000**

Multigym

A multigym can be an all-in-one machine, enabling you to work out all the muscle groups, including the chest, back, shoulder and leg muscles. Look for machines that are stable and, since they have many moving parts, good engineering. Major brands: Parabody (US), Vectra Fitness (US) and Techno (Germany).
PRICE RANGE: **Rs 59,000 to Rs 2,50,000**



Dumb-bells

The ubiquitous gym equipment is a pair of dumb-bells. Dumb-bells are good for all kinds of exercises. Get eight to 10 pairs of varying weights and look for non-rusting, preferably rubber sheathed ones. Major brands: Life Fitness (US), JKExer (Taiwan) and Gym 80 (Germany).
PRICE RANGE: **Rs 3,500 upwards**

THREE HOME-GYMMING

TIPS:

1. Ensure that the home-gym has enough space to move around and is not cramped with equipment. Get racks built to store dumb-bells.
2. Ensure proper insulation for the floor; rubberised mats are good dampeners for sound as well as impact of weights.
3. Get a trained instructor to start you off on a weight-training programme, particularly if you're a beginner. Better still, appoint your own personal trainer.

Living In A Flat And Thin World

Here's how the new Samsung Bordeaux stacks up.

AN OFT-PLAYED AD ON television says: "Some people buy an LCD TV just to show off!" Honestly, that is the single most important reason for buying Liquid-Crystal Display (LCD) TVs and the new Samsung Bordeaux is a magnificent show-off piece; but that said, it also is a great television.

And after watching the FIFA World Cup on the Bordeaux, I doubt that the next TV that I purchase will be anything other than an LCD TV.

Why?

Well, there are a couple of reasons. First, tube televisions, despite advertisements to the contrary, are anything but slim. Have you seen how grotesquely huge a 34-inch tube television is? It is massive and uselessly consumes almost a quarter of your room. At under two-inches thick, even a 42-inch LCD TV, the largest available commercially, actually frees up space.

And here is the incredible bit, unlike tube televisions which are more or less technologically limited to around the 34-inch screen diagonal barrier, LCDs are becoming bigger and better. Two years ago, 30 inches were as far as they got. Today, companies like Toshiba talk of 50-inch LCD screens. Man, imagine watching TV on one of those! In fact, thanks to their far lower power consumption and superior picture quality, LCD screens have more or less surpassed Plasma Display Panels (PDPs).

OK, so it is great when someone comes and installs one in your office (for a test—bah!), but should you buy one?

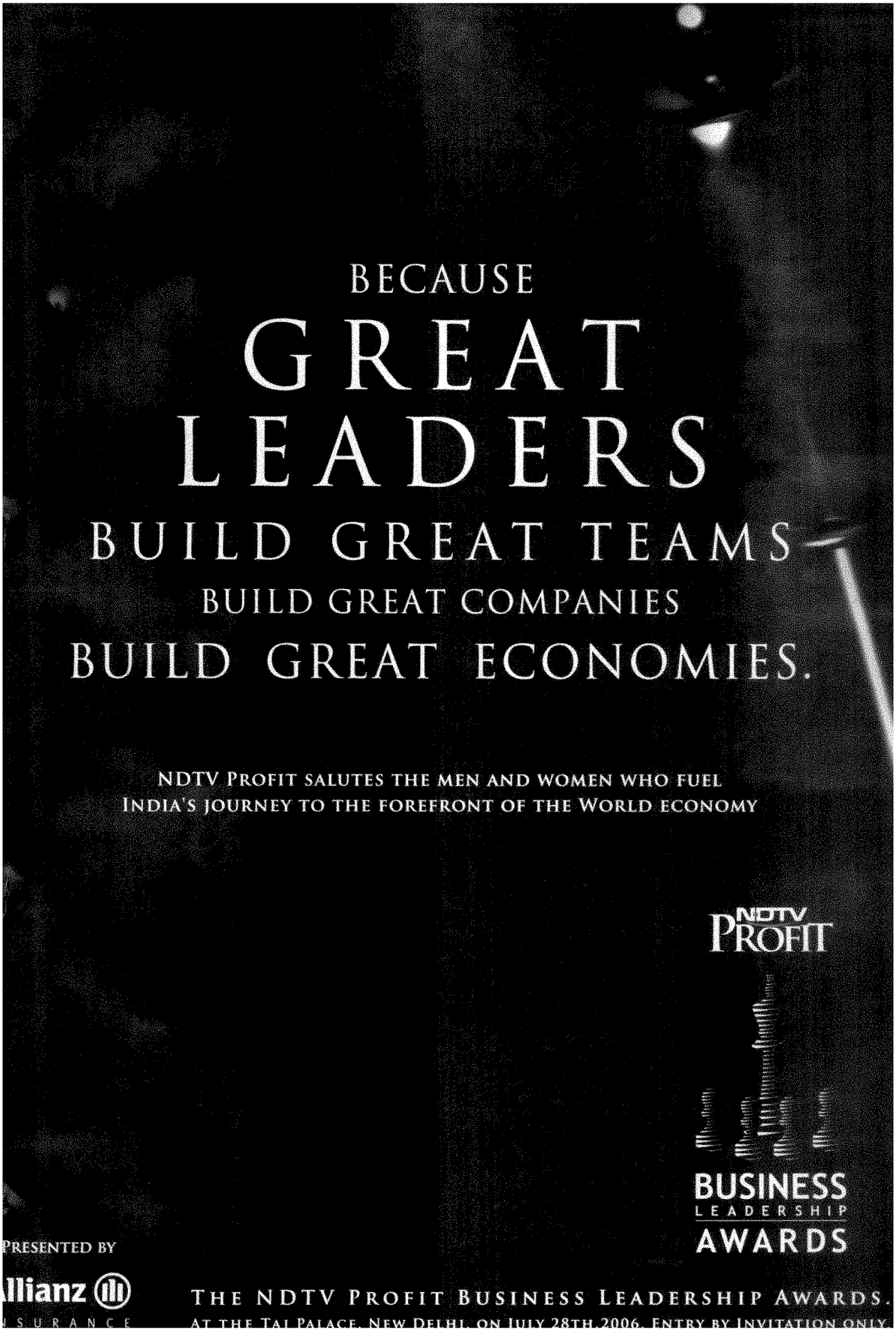
Honestly, not just yet. While I loved the Bordeaux, the 32-inch LA32R7 model will set you back Rs 96,990 plus installation. That's rather expensive. In this range, Samsung also has a smaller 26-inch LCD TV which costs Rs 69,990 and a bigger 40-inch TV with a price tag of Rs 1,55,990. The Bordeaux is one of the most advanced commercially available LCD TVs, with a high-colour range (12.8 billion colours) and superb contrast ratio (5,000:1—this means the TV displays better 'blacks'), but there are cheaper sets out there. Twenty-inch LCD TVs from Samsung itself, LG, Philips, Sony, Panasonic and now Onida start at around Rs 30,000 mark. The standard 34-inch monitors start at the Rs 50,000 mark. But it's better to stick with Samsung or LG for two simple reasons—they are the two largest LCD manufacturers in the world and are currently also making all the big breakthroughs in LCD technology. Also, keeping in mind that similar sized tube-televisions cost a third of LCD monitors, price is obviously not a major determinant of choice here.

Remember this: LCD monitors like the Bordeaux are what you call HDTV (High-Definition TV) ready. Though broadcasters in India are still not beaming HDTV signals, the expected Direct-To-Home (DTH) invasion later this year might change that sooner than you expect. And guess what? It is LCD that is leading the HDTV charge; almost every LCD TV sold on the market is HDTV ready—the picture quality on HDTV is so good you'll be able to say if your favourite television news anchor has done her upper lip or not. Hmmm, I'm not so sure HDTV will be quite popular with the news channels though!

Plus, we all know that technology's getting progressively cheaper, so LCD TV prices will probably head south as well. And while you might give them a skip for this particular World Cup, the next one—which will involve a smaller ball and a few pieces of wood—next year will be a great time to buy such a telly.

Anyway, I have a match to watch right now, so if you'll excuse me, I have to go! ■

KUSHAN MITRA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THE BEST COMPANIES TO WORK FOR IN INDIA: 2006

Have you registered yet for our annual survey of best employers?

IF NOT, MR/MADAM CEO, PLEASE WHIP OUT YOUR CELLPHONE AND make that call to your HR head. You don't have much time left to register. Just to bring you up to speed, *Business Today* is inviting entries for its sixth annual survey of best companies to work for in India. You might know that we conduct this most anticipated survey in association with Mercer Human Resource Consulting, which provides us the robust methodology, and TNS India, which takes care of all the logistics involved in collating and tabulating employer data. As a general rule, *Business Today* will only reveal the names of the top 10 companies. Names of the other participants will be kept strictly confidential. So don't worry. Just log on to register. How? Read the box below.

HOW TO PARTICIPATE

- Participation in this survey is open to any company that operates in India, irrespective of its ownership.
- Participating companies must have been in existence in India for a minimum of four years, and must employ at least 200 management/ executive-level personnel in India.
- To participate, companies should log on to **http://survey.tns-global.co.in/BestCompanies2006/Home.htm** and register online. Additionally, as part of the registration process, participating companies should download the registration form (available on the website), print it on the company letterhead and fax or courier the completed form to the following address:
  Ms Indrani Raychaudhuri,
  Research Coordinator
  TNS India; CICD Tower
  Institutional Area, Hauz Khas
  New Delhi 110 016
  E-mail: Indrani.Raychaudhuri@tns-global.com
  Fax: 011-5256 6677
- Participating companies will be required to nominate a point person for the study who will be the study coordinator from the company's side.
- Participating companies will have to share information regarding their people practices, provide employee details from which a sample will be administered a questionnaire, and should be willing to throw themselves open to a physical audit by the survey partners.
- The last date for companies to register is July 31, 2006.
- By participating in the survey, companies are signalling their willingness to be part of the special issue *Business Today* plans to bring out on the Best Companies To Work For In India.
- The *Business Today*, Mercer Human Resource Consulting and TNS teams are committed to maintaining the absolute confidentiality of the study participants.
- At no stage will the names of the participating companies be released to any third party. And only the names of those companies that are recognised as The Best Companies To Work For In India will be publicly released.

A non-linear race: Participants at the last year's corporate challenge event

All About Teamwork

The Second Microsoft Corporate Challenge is here.

GET READY FOR THE SECOND EDITION OF THE Microsoft Corporate Challenge. Fifty corporate teams will face off against each other in a "non-linear race" in Kochi from August 31-September 2 this year. They will have to crack codes, decipher maps, pedal, run, row, plan and think on their feet. The goal is to foster team spirit, teach teams to structure unstructured environments and help participants network with peers from other leading corporates. Teams also have to "strategise and execute complex tasks similar to any boardroom session—but in a surreal outdoor environment", says the promotional brochure.

"It's a platform which brings out the best in each individual and helps us to understand ourselves as well as our colleagues better," says Amit Chatterjee, Head of Structured Products, Treasury, ICICI Bank, who represented his company at the 2005 event. "It helps put things in perspective and enables participants understand the value and contribution of each individual in a team; this, in turn, leads to stronger and more productive working relationships," he adds.

"It is better than any outbound programme I have experienced," says Dhunji S. Wadia, Senior Vice President & General Manager of JWT, who also represented his company at last year's event. "The MCC is an action-packed programme and the entire focus is on developing and sustaining a high-performance team. At the core is team building, competitiveness and time management," he sums up.

According to competition rules, every seven-member team must have at least two female members and a senior executive in it. The entry fee for each team is Rs 5 lakh. The MCC is based on a format that has been highly successful in several other countries, particularly the UK. It is organised by Sports Media in association with Signature, Motorola, *Business Today* and NDTV Profit. ■

PHOTOGRAPHS BY RAJKUMAR

Lesson in leadership: Patrick Townsend discussing a finer point with the participants

Nuts And Bolts Of Leadership

A report on the *Business Today* Knowledge Management Forum.

SHWETA SRINIVASAN AND NAMITA JOHRI

LEADERSHIP IS BOTH AN ART and a science. This is what emerged at the *BT* Knowledge Management Forum on "Leadership, Participation and Management: The Foundation of a Thriving Organisation" held in Delhi and Mumbai in association with Apollo Tyres Ltd on June 14 and June 16, respectively.

"Leadership has become tougher over the past 28 years, earlier people would listen; now that is not assured," said Manoj Kohli, President, Bharti Tele-Ventures, in Delhi, putting the topic in perspective. The keynote speaker in Mumbai, Deepak Ghaisas, CEO, i-Flex India, said: "Leadership is not merely what a person does, but the kind of impact that he (or she) leaves on his (or her) followers."

Knowledge knot: Manoj Kohli of Bharti Tele-Ventures, putting the topic in perspective

Patrick Townsend and Joan Gebhardt, co-authors of seven books on leadership, employee recognition and organisational learning, who anchored the two seminars, took the audience through the various stages of "effective leadership" and explained

Knowledge sharing: Joan Gebhardt (left) and Stefano Pelle, MD, Perfetti Van Melle (extreme right)

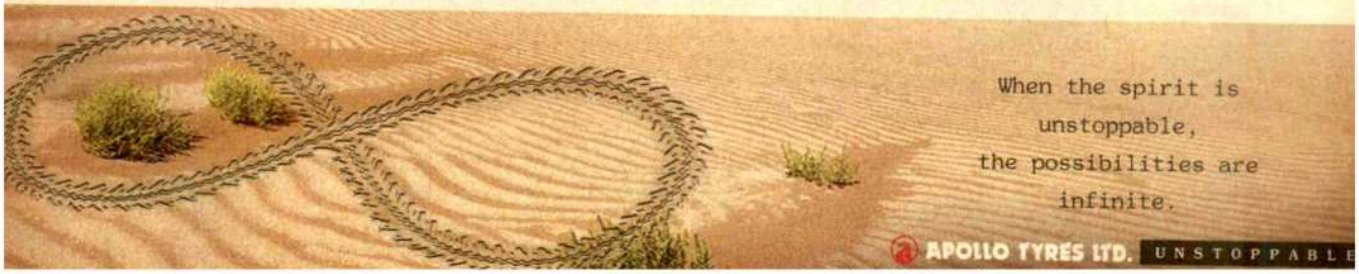
it via the Complete Quality Process (CQP). "Leadership is rather a behaviour than a position, and the leader must know when to be authoritative, participative or delegative," they emphasised. CQP is based on the fundamental link between quality and leadership and has seven components: leadership, the commitment of the top management, participation, measurement, communications, training and recognition. "CQP is like a tapestry; each of its seven components is like a thread; to be successful, all the components have to play their designated roles," said Gebhardt at the knowledge forum which was supported by QAI (India) Ltd.

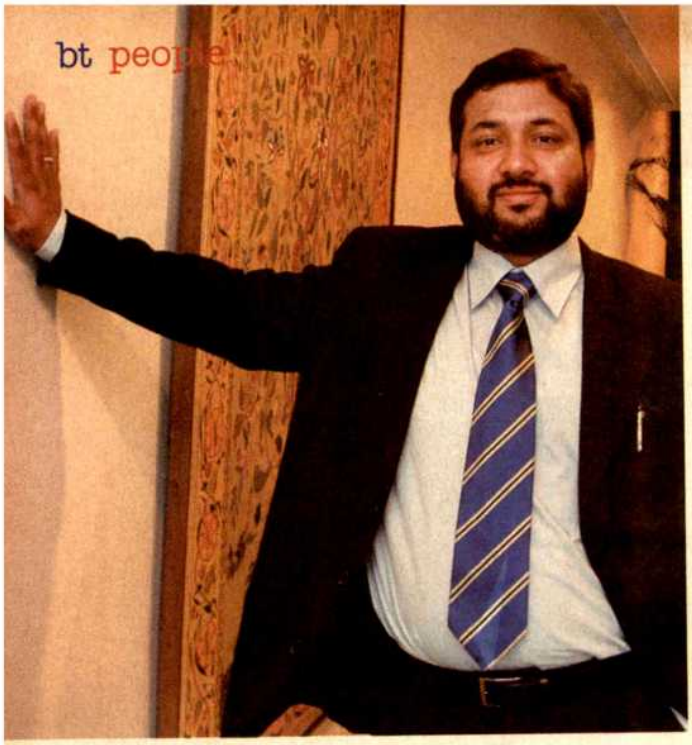
Participants discussed quality, success, its measurement and the downfall of organisations. Townsend shared his own experiences in the US army, which, he said, has a system called AAR (After-Action Review), in which every participant and soldier, regardless of rank, engages in a freewheeling discussion on every aspect of a given plan/mission after its completion.

UMESH GOSWAMI

Key to success: Deepak Ghaisas, CEO, i-Flex, explaining the core aspects of leadership

Can leadership then be taught? Yes. "Given passion and average intelligence, anyone can learn to be a competent leader," they said, in response to a question. ■





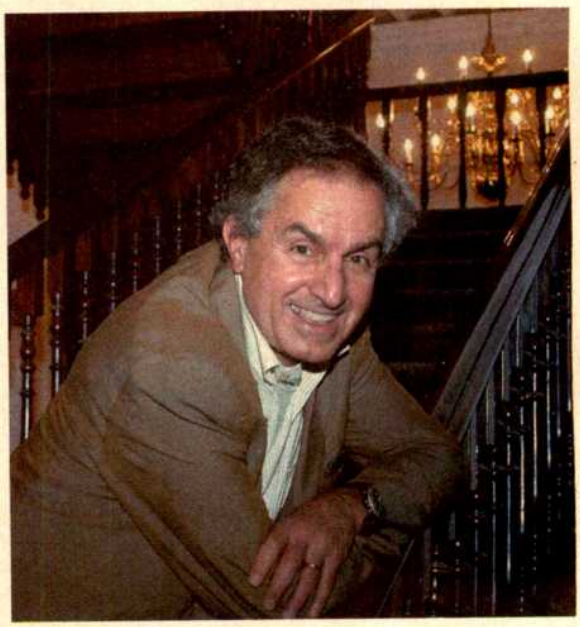
VIVAN MEHRA

A Vision For IT

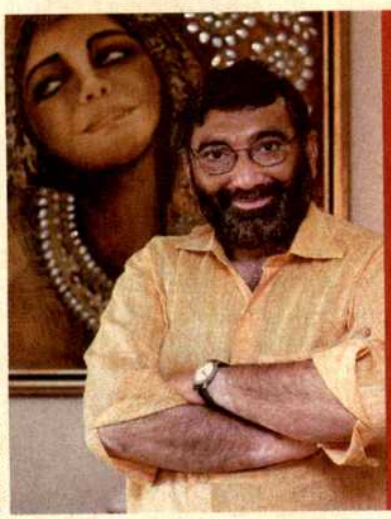
WHAT'S THE CO-FATHER OF ONE OF MANAGEMENT'S top buzzwords, reengineering, up to these days? Taking a close look at Indian IT. JAMES CHAMPY, 64, who wrote *Reengineering the Corporation* with Michael Hammer, is currently the Chairman of Perot Systems' consulting practice, and keen on ramping up the relatively small IT vendor's India operations. Behind the plan is his belief that players such as CSC and EDS "are very American in their style of functioning and it's not clear if they can survive in a global market", while the Indian IT firms need to "enter into technology-enabled areas like remote IT management, rather than people-centric ones". Read more about it in his next book due in two years.

Tricky Move

AMAR BABU, INTEL INDIA'S MANAGING DIRECTOR FOR sales and marketing, must have mixed feelings about his relocation to the US. He must surely be happy that he is exchanging country-specific responsibilities for a larger corporate role at Santa Clara, but at the same time sad that he will miss all the action back home. In the seven years that Babu, 40, has been with Intel India, the local marketing business has grown from a four-city set up to an estimated Rs 2,733 crore in annual revenues for 2004-05 (Intel doesn't disclose figures). Of late, however, a reinvigorated rival, AMD, has been growing its market share aggressively (up from 17 per cent to 23 per cent just past year). "The competition keeps us honest, but we are streets ahead of them in the local market," says Babu. His India lessons may just come handy in the US.



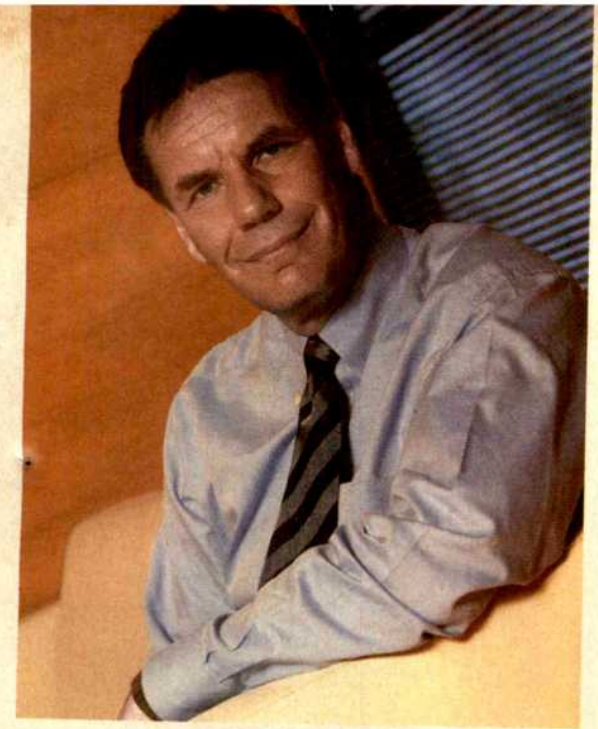
DEEPAK G. PAWAR



UMESH GOSWAMI

Glad To Make Way

NOT TOO MANY CEOS FANCY QUITTING AHEAD OF THEIR TIME. BUT EURO-RSCG'S **ISHAN RAINA,** who's stepping down two years ahead of his self-set retirement age of 50, has no such problems. "CEOs should be changed every 10 years because fresh minds induce freshness in the way an organisation thinks and works," says Raina, who set up the Havas-owned outfit from scratch. Does he rue the fact that he couldn't make it a top-five agency on his watch? Raina sees it differently. "We were the only MNC start-up here in India till Dentsu came three years ago...(and) focussed on organic growth," says the alumnus of IIM Calcutta. Suman Srivastava, Raina's first hire 10 years ago, takes over as the new CEO. Raina will continue to be the Chairman, but don't be surprised if he soon finds another job worth his next 10 years.

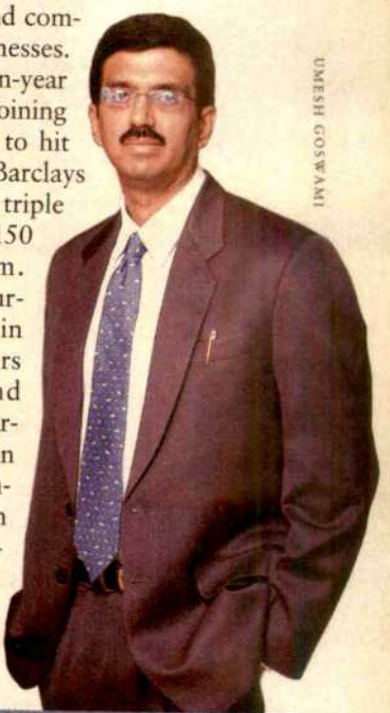


One For OPK

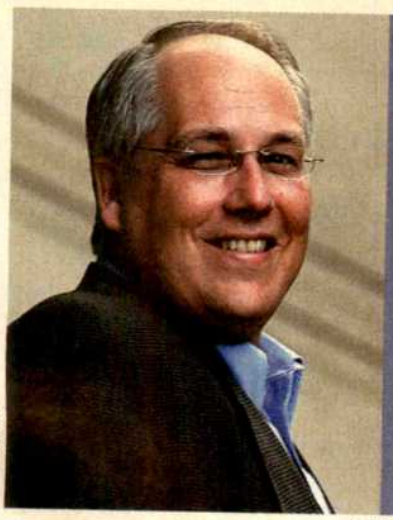
AT A TIME WHEN SOME FOREIGN INVESTORS SEEM TO BE having serious doubts over India's low-cost benefits, it's reassuring to have someone like **OLLI-PEKKA KALLASVUO**, aka OPK, around. Nokia's Global CEO of one month has announced plans of moving the telecom equipment giant's managed services business from home country Finland to India. Nokia's brand new Global Networks Solutions centre is already up and running in Chennai, and will eventually serve as the hub for its operation centres around the world. "The strong outsourcing ecosystem in India and the availability of innovation are the key drivers for this move," explains Ashish Chowdhary, Nokia's Country Director, who is slated to head Global Managed Services by the year-end. And don't forget that Nokia also recently opened a plant in Chennai.

Barclays' Catch

HOME-GROWN HDFC BANK SEEMS TO HAVE BECOME A poaching ground for foreign banks. A year ago, Standard Chartered lured away Country Head for Retail, Neeraj Swaroop, and now it's another global financial services major, Barclays, that has snagged **SAMIR BHATIA** from HDFC Bank. Bhatia, 43, was one of the founding executives of the bank in the mid-90s and most recently headed its commercial banking business. Therefore, he seems tailor-made for Barclays' India plans. The British banking major, which has been in India since the late 80s, but with little to show, plans to pump in $220 million (Rs 1,012 crore) to boost its investment banking and commercial banking businesses. Bhatia, who did a seven-year stint with Citi before joining HDFC Bank, will have to hit the ground running. Barclays intends to more than triple its India headcount to 150 in the medium term. Besides, Barclays is currently a small player in both the M&A (mergers and acquisitions) and commercial banking markets, and non-existent in retail. With other big international banks such as Deutsche Bank already making their moves, Bhatia needs to come up with some smart strategies.



UMESH GOSWAMI



SOUMIK KAR

Joining Ranks

QUALCOMM'S GLOBAL CEO, PAUL JACOBS, HAD BETTER TURN ON THE CHARM AFTER he lands in India on June 26. As if Anil Ambani's Reliance Communications threatening to go the GSM way wasn't bad enough for Jacobs' competing CDMA technology company, its only other customer in the country, **DARRYL GREEN**-headed Tata Teleservices, has also decided to take up the issue of royalty. Unlike Reliance, the Tata Group company doesn't have a presence in GSM-based mobile telephony (it recently exited that business by selling its stake in Idea Cellular) and has fewer subscribers (just under 10 million) than the former (about 19 million). But Green, 45, has decided that a cut in royalty is needed to make his company more competitive. It will be interesting to see how Qualcomm responds to the twin assault. ■

CONTRIBUTED BY RAHUL SACHITANAND, ARCHNA SHUKLA, PALLAVI SRIVASTAVA, ANAND ADHIKARI AND KRISHNA GOPALAN

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VIVAN MEHRA

NAME: SANJEEV AGGARWAL
AGE: 45
DESIGNATION: CEO
COMPANY: IBM Daksh

A Big Picture Person

SANJEEV AGGARWAL IS MOVING ON. THE CO-FOUNDER OF DAKSH, WHO SOLD THE COMPANY to IBM for Rs 750 crore in 2004, is planning to set up a $140 million (Rs 644-crore) technology fund called Helion in partnership with Kanwaljit Singh and Ashish Gupta. It's an emotional time for him. Aggarwal had set up Daksh (now IBM Daksh) in 2000 with $2 million (Rs 9 crore) in venture capital funding, three partners and 10 employees. Since then, he has piloted it to the *numero dos* spot in India's business process outsourcing world; it now has an employee roster of 20,000 and 30 clients worldwide. Incidentally, it was Gupta who introduced Aggarwal, a BE and MBA from Punjab University, to Pavan Vaish, COO and another co-founder of Daksh, who will hold fort as interim CEO once Aggarwal leaves.

But becoming a poster boy of the Indian outsourcing boom wasn't quite on Aggarwal's mind when he started his career in the early 80s. Beginning his career with DCM, he moved to Compaq, 3Com and Motorola. It was his stints with the US companies that opened his eyes to the opportunities in the outsourcing space. He realised that a lot of the work being done in the US could be done in India at a fraction of the cost. Thus, the idea of Daksh was born.

A low profile person, Aggarwal prefers to stay away from the spotlight. People who've worked with him say he's very good at strategic thinking and at identifying the right levers to push to get things done. His management style is also quite open. "He sets the broad direction and lets people execute the plan," says Vaish. He is also "extra-generous and fair to people," he adds. Because of this even those who have left Daksh remain emotionally attached to it.

Aggarwal planned his departure very carefully. "Sanjeev wanted to ensure that his baby continues to thrive. His leaving is like marrying your daughter away," says Vaish. But why is he leaving? "I'm leaving in search of new intellectual challenges," says Aggarwal.

SHALEEN AGRAWAL

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Where is it written that
you can't go walk in the rain in the middle of a work day?
That you can't learn about perseverance from a beetle?
See a work of art in the gnarled roots of a tree?
Where is it written that the world outside
should be framed by venetian blinds.
That the gooseflesh should only be from the cold?
The best things in life are free.
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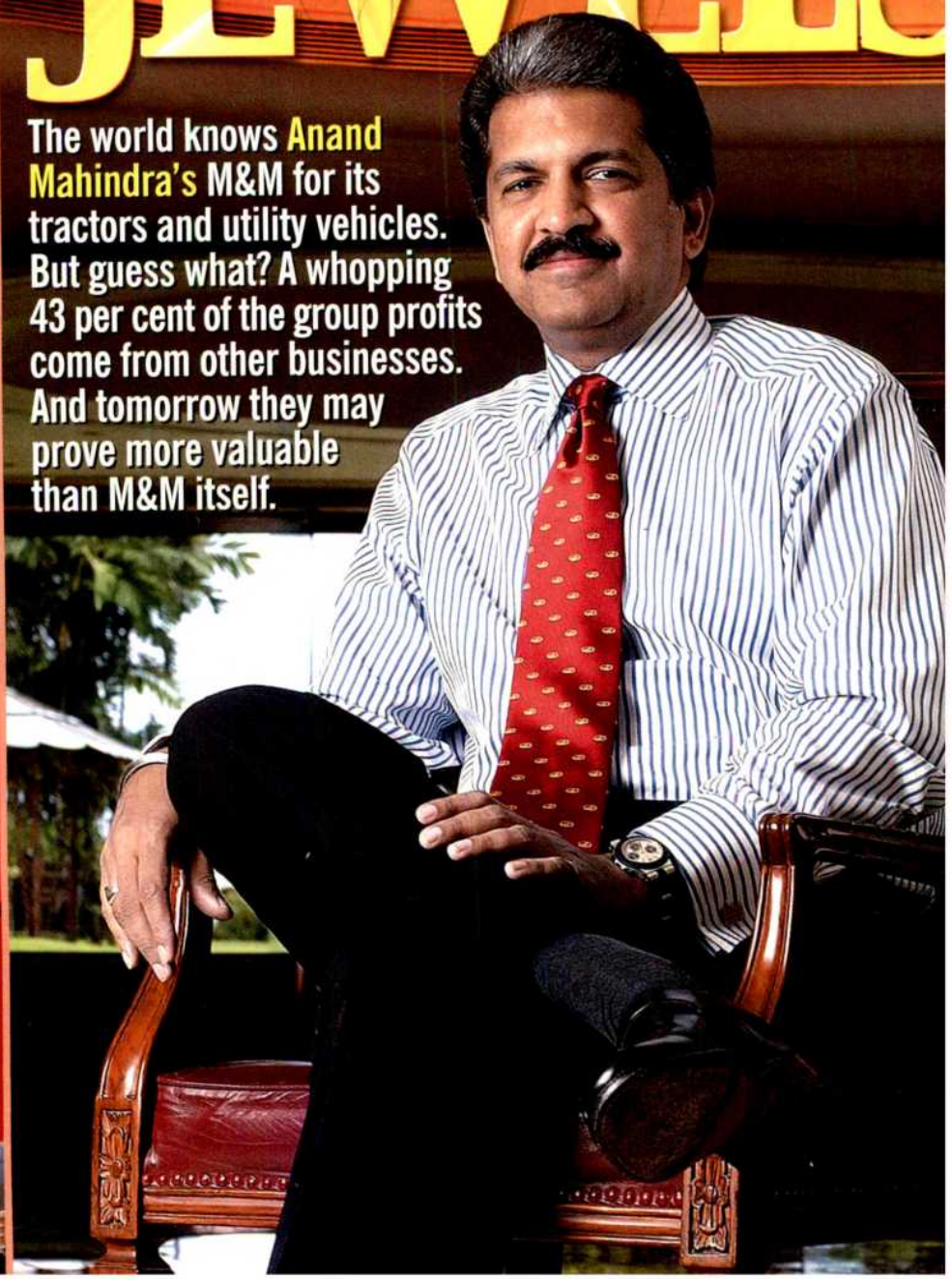
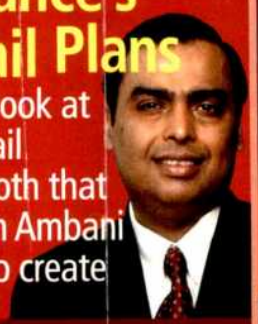
M&M'S HIDDEN JEWELS

The world knows Anand Mahindra's M&M for its tractors and utility vehicles. But guess what? A whopping 43 per cent of the group profits come from other businesses. And tomorrow they may prove more valuable than M&M itself.



Reliance's Retail Plans

A first-look at the retail behemoth that Mukesh Ambani plans to create

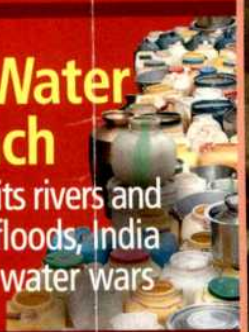


Investor Darlings

Our annual survey of India's Most Investor-friendly Companies

The Water Crunch

Despite its rivers and annual floods, India is in for water wars



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Record money is pouring in from venture investors

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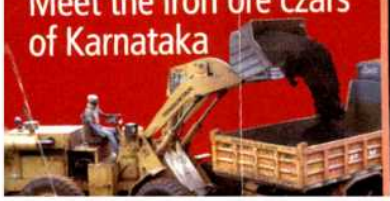
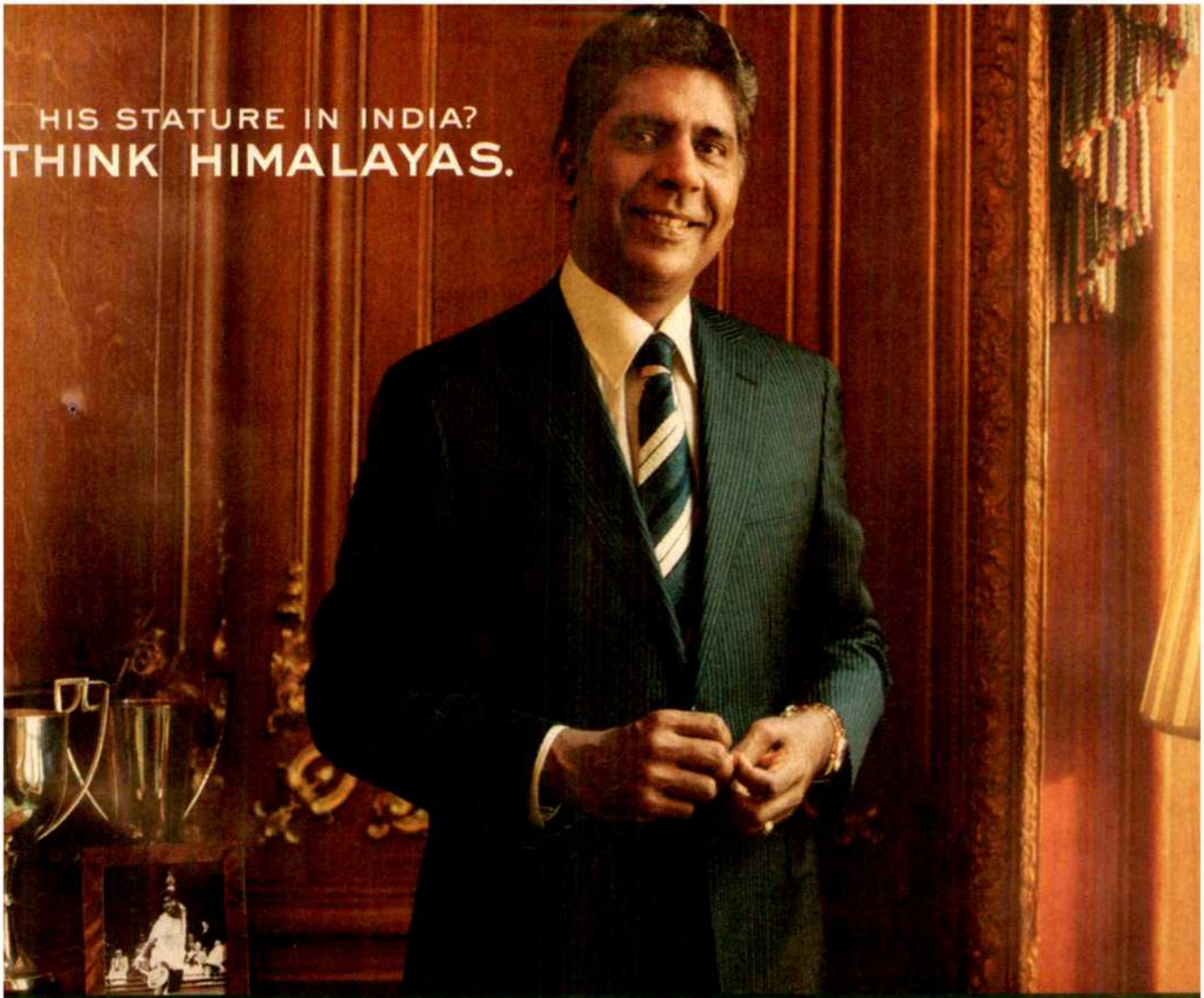
Meet the iron ore czars of Karnataka





There's no question why Vijay Amritraj has earned such an outstanding reputation. As an athlete, his achievements brought India into the world of professional tennis. Even more, as the people's ambassador, he continues to reflect India positively on the world stage. It only follows that Amritraj should be held in high regard. Very high, indeed.

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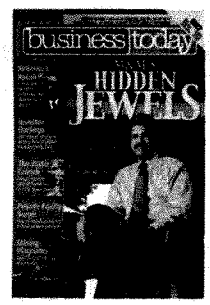
From The Editor

MAHINDRA & MAHINDRA HAS BEEN BEST KNOWN FOR its utility vehicles and tractors. In recent years, its swish SUV, the Scorpio, has given its image the added shine of being a carmaker, a status that will be further spruced up when its new joint venture with Renault launches a sedan for Indian roads. But CEO Anand Mahindra isn't on our cover because of any of this. Tucked away out of sight behind its automotive business, M&M has a clutch of nuggets, firms that are far removed from what seemingly is its mainstream. Yet, these group businesses—in infotech, infrastructure, finance and systems and technologies—earn a little less than half of the group's total profits and in the next few years they could even become more valuable than their parent company. Our cover story, by Deputy Editor Brian Carvalho, looks at how Mahindra managed, without losing focus, to diversify his businesses and make such a success out of ventures that looked as if they were non-starters till just four years back.

Like Mahindra, another second-generation entrepreneur, Mukesh Ambani, has been quietly unfolding his massive plans in retailing. If Reliance Retail's Rs 25,000-crore strategy pans out, India's retailing topography could see some dramatic changes. Beginning August 1, Reliance will kick off its plans to establish multi-format retail stores—convenience stores, supermarkets, specialty stores and hypermarkets—in over 1,500 locations around the country. Not unlike its strategy in petroleum, where Reliance Industries straddles every link of the value chain (from crude oil refining to petrochemicals to plastics and fibre intermediates to textiles) Reliance Retail wants to forge strong forward and backward linkages. Again, similar to its strategies in its older businesses, it has gone about picking the best talent from almost every sector for Reliance Retail and put together what looks like a dream team in retailing. Our story by Assistant Editor Krishna Gopalan brings you the details.



India's water security is an often overlooked issue. There are more than 120 rivers in the country and monsoon, although whimsical, is fairly evenly distributed when it comes. But the problem is India's population has been growing faster than we have been able to harness our water resources. As a result, the per capita availability of water in India has declined from 6,000 cubic metres in 1947 to 2,300 cubic metres in 1997. This situation could get worse unless we get our act together. Assistant Editor Shalini Dagar's feature *Running Out Of Water* (Page 66) looks at how serious India's water crisis is and what solutions may lie ahead.

Sanjoy Narayan

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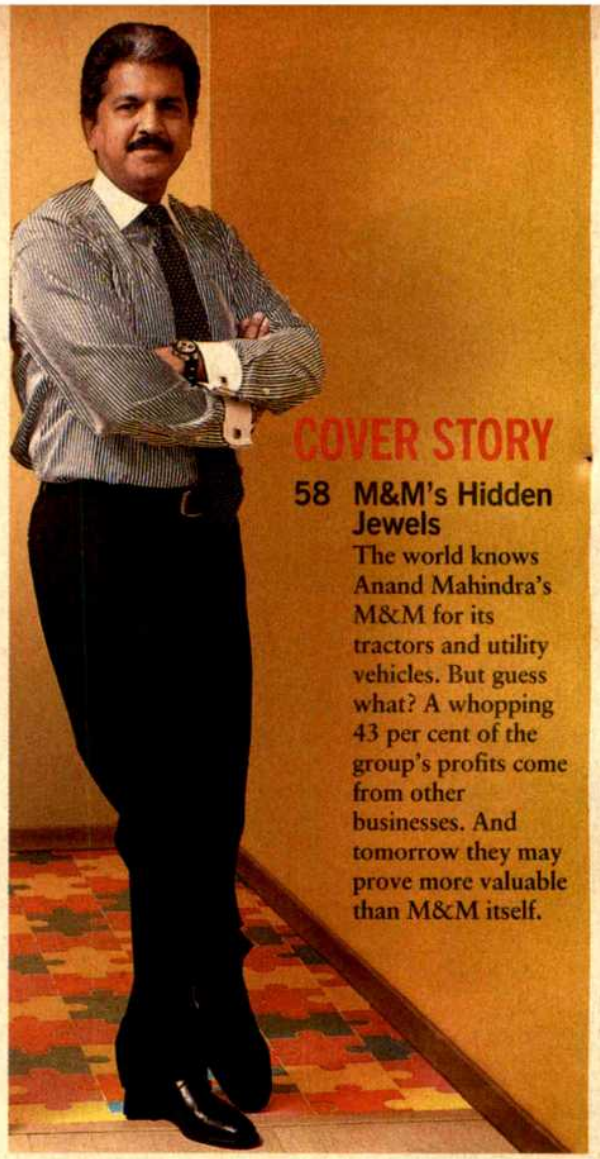

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Cover photograph by Umesh Goswami

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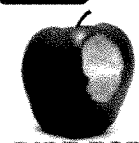

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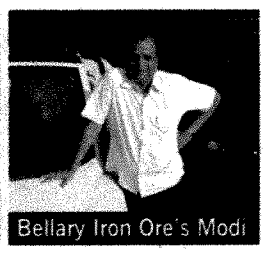
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Mittal Steel's L.N. Mittal

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Web Exclusives

Oil On Boil, Again

OIL IS HITTING NEW HIGHS AFTER A US government report showed strong fuel demand in the world's top oil consumer. Prices also drew support from international tensions ranging from Iran's nuclear ambitions to North Korea's missile tests. Adjusted for inflation, oil is more expensive now than at anytime since 1980, the year after the Iranian revolution. A look at how oil is affecting economies, and what's in store for nations.

Driving The Market

INDIA IS BECOMING KEY TO THE growth plans of global auto makers as its emerging market and low-cost manufacturing base offer an alternative to rival China. To cite just one example, Japan's Suzuki Motor Corp has said it would build a new compact car in India for Nissan Motor Co to sell in Europe. India's passenger vehicle market is only a fifth of China's, but is forecast to nearly double to two million units by 2010.

Date With Dragon

THE 44-YEAR-OLD FREEZE IN TRADE relations between India and China across the 14,600 ft Nathu la border thawed. For the moment, trade would be restricted to 29 items for export from India and 15 for import. There are demands that the border trade should widen to full-fledged Sino-Indian bilateral trade that can actually benefit the economies of both nations. A look at the wider trade options for both the Asian giants.

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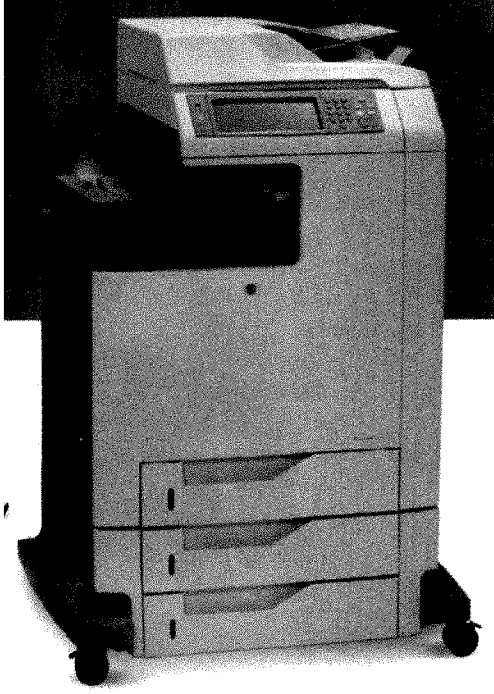

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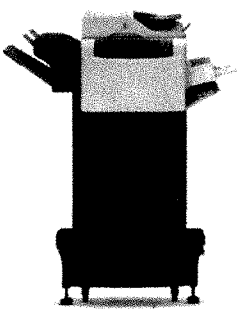

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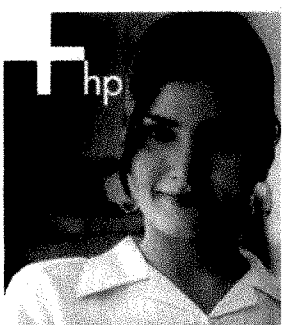

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BEST LETTER

B-school Lessons

THE COVER STORY *INDIA'S BEST B-schools* (*BT*, JULY 16, 2006) will definitely help enhance the image of these institutes further. But, the question that lingers on is how does one meet the ever increasing demands? Should more such institutes be opened or should the number of seats be increased as the government has proposed? Well, no matter what happens, one should always remember one thing: there shouldn't be any compromises in quality.

A. JACOB SAHAYAM, *through e-mail*

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AS IS EVIDENT FROM YOUR COVER story (*India's Best B-schools*), our institutes seem to have have earned a name by dint of sheer quality of education provided. However, the country is losing out on talent in spite of the best standards of IIMs and other tier-1 institutions. The talent from top B-schools is lured away by promises of high salaries and offshore plum postings. Let the managers of India's world-class institutions rise to the occasion by devising ways of retaining the best.

R.K. SUDAN, *through e-mail*

The Missing Schools

GOING THROUGH *B-SCHOOLS BY THE Numbers* (part of the cover package *India's Best B-schools*) was a bit of a shock, especially because none of the IITs (Indian Institute of Technologies), undoubtedly one of India's premier educational institutes, figure in the top 30 list. IITs have proven time and again that they are at par, if not better, than the ICFAIs, the AMITYs and the IIPMs in terms of faculty, industry interactions, placements, etc.

ATUL VAID, *through e-mail*

The Wealth Mantra

WITH REFERENCE TO YOUR COVER story *Where Do India's Tech Billionaires Invest?* (July 2), the way these IT (information technology) bigwigs have multiplied their wealth exponentially by shrewd business practices and acumen is quite admirable. Work smarter, and not harder, seems to be the mantra of today's business empires. What's more, leverage your business growth pattern and you could be the next rich in line.

ANUBHA BHATIA, *through e-mail*

Correction

We would like to bring to your notice a factual error in the article The Bull in Indiabulls *(July 16). In the article, you have mentioned, "Actually make that Indiabulls, a fledgling financial services group with interest in broking and real estate, with a turnover of Rs 211 crore, net profits of Rs 74 crore." Kindly note the correct information on our Group—Indiabulls' consolidated results for fiscal 2006 is Rs 613.15 crore and the net profit is Rs 253.36 crore.*

GAGAN BANGA, *Executive Director, Indiabulls Financial Services Ltd*

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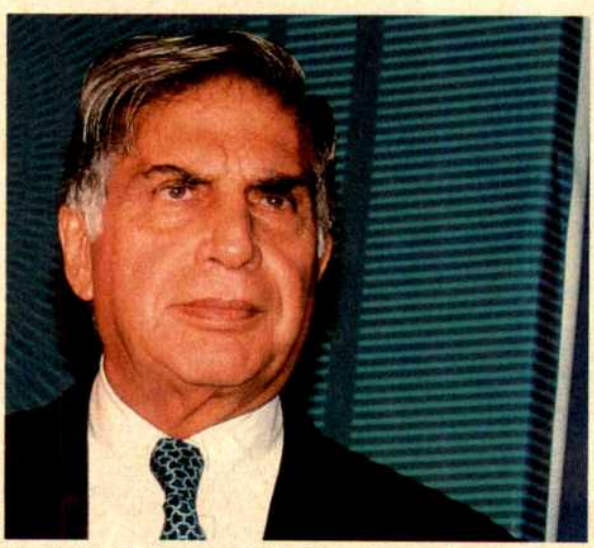
Smart Diversification

RAMEN SARKAR

INDIA IS, AND HAS BEEN NOW, FOR SOME YEARS, AT A stage in its economic lifecycle that encourages companies to diversify. The premise of diversification is that, by doing so, a company can eventually generate a return that is far higher than the market rate of return (or risk-free rate of return). Yet, there's more to the act of diversifying, part art, part science, than the cold math as several Indian business houses and entrepreneurs that have dabbled and are dabbling in sectors as varied as biotechnology, real estate, telecommunications, business process outsourcing and organised retail are well aware. Smart diversification, it would appear, has less to do with being a lemming that is quick off the blocks, and more with following some basic guidelines. The first involves diversifying into a business, or, for that matter, divesting one, for sound reasons, and not because everyone else is doing so. For instance, the Aditya Birla Group decided to sell its stake in Idea, then a third, a few years ago because it believed that the regulatory environment wasn't conducive to the growth of the business. Then, the regulatory environment changed and the group decided to stay on (today it owns almost all of Idea). The second involves building a differentiator and sticking with it, like M&M did with Tech Mahindra (earlier Mahindra BT); the company's focus has remained telecommunications software, largely because of its association with BT, but it still deserves credit for not jumping into areas such as IT enabled services. The third has to do with timing: just because a company is late into a business doesn't mean its chances of success stand reduced. For instance, although several Indian business houses and entrepreneurs have entered the organised retail space, the business itself is in its infancy. Thus, a firm like Reliance Retail, which is entering the space now, isn't really a late entrant, especially given the size and scope of its play. Similarly, although Idea Cellular is just about making a serious play in the mobile telephony business, it will still be only the third pan-Indian telco after Bharti Airtel and Reliance Infocomm (fine, fourth if state-owned BSNL is considered). That leads to the next tenet of smart investing, which is simply that sometimes, some resources can render an early-mover advantage irrelevant (another way to look at this would be that all barriers to entry are relative). Finally, there are the usual caveats regarding skills, synergies, and the like; however, many of these actually do not matter in the Indian context where most industries are still fairly young.

A Strategy For FDI

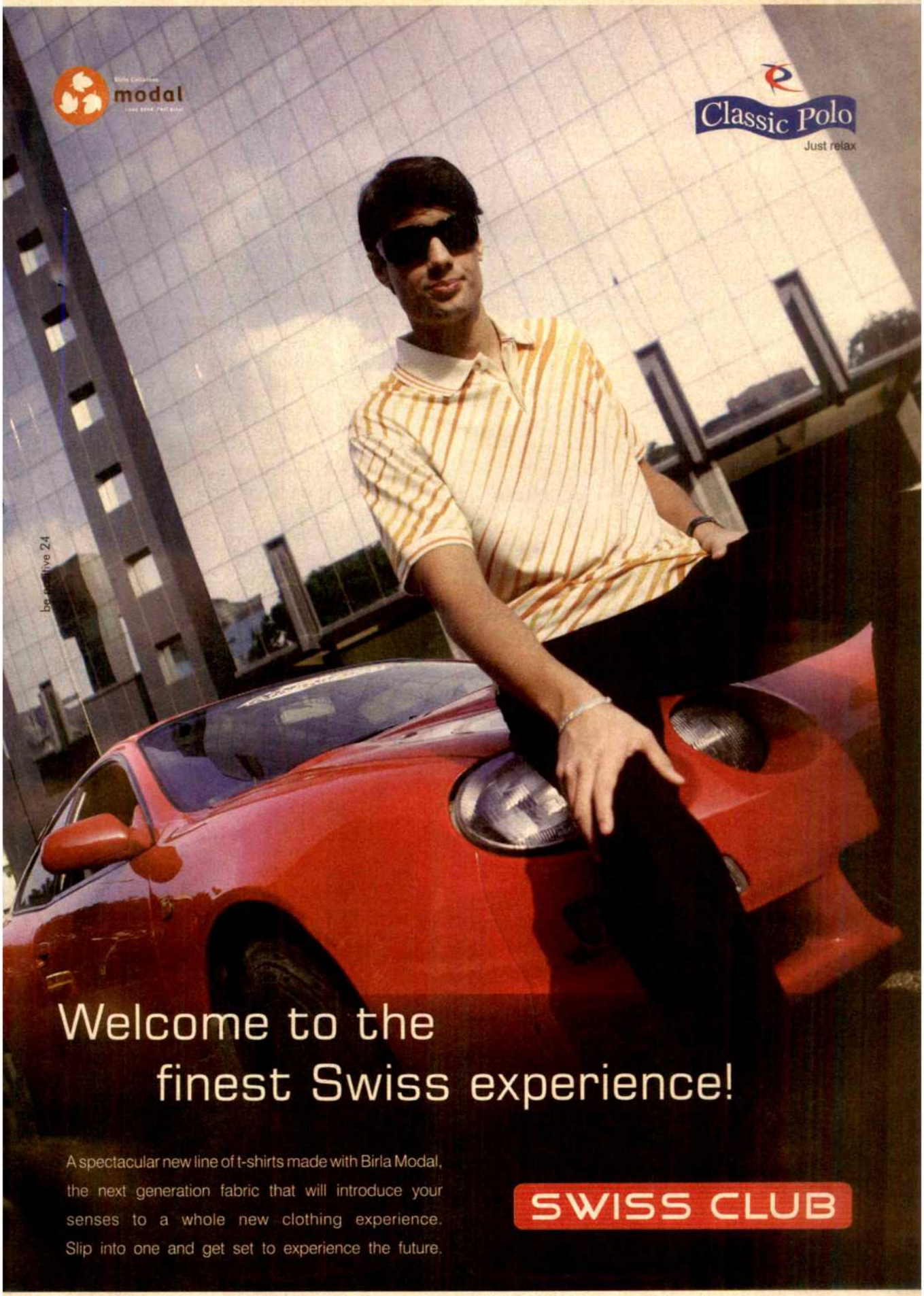


NEHA NATH

Marketing India: Ratan Tata & Co. have helped lure FDI

THE RATAN TATA-LED INVESTMENT COMMISSION HAS tabled its report, and the government will do well to act on its recommendations. One reason for that is, of course, the fact that the commission was the government's own idea, specifically Finance Minister P. Chidambaram and Prime Minister Manmohan Singh's, who decided to locate it within the ministry and give it operational autonomy. The other reason is that this is as close as the government will ever get to the 'voice of the investor'. The commission, set up in late 2004 with Deepak Parekh and Ashok Ganguly as the other two members, met a large number of investors to identify the hurdles in the way of foreign direct investment (FDI) into India. In fact, the members are said to have met more than 130 companies that came as part of various delegations and 64 Indian and foreign investors directly.

The hurdles that the commission has identified are long standing, and include foreign investment limits in industries, a lack of long-term clarity on and commitment to policy making, industry-unfriendly labour



For enquiries contact Mr. M.S. Vasant. Ph.: 93444-26726 vasant@classicpolos.com

laws, poor infrastructure and the absence of a list of priority sectors. Some of the hurdles can be removed by simply amending policies (investment limit and labour laws, for instance), but the others—particularly infrastructure—will need large investments to be overcome. According to the commission's estimate, India's 25 key sectors spanning manufacturing to services to infrastructure will need an aggregate investment of $525-550 billion (Rs 24.15-25.30 lakh crore) over the next five years. The commission reckons that India will need to up investment from 30 per cent of the GDP to 34 per cent, to sustain its 8 per cent growth. Needless to say, not all of this money can come from Indian industry or the government. Foreign investors, many of whom are faced with much slower growth in their domestic economies, must be wooed and allowed to participate in India's growing economy on equal terms.

The commission has set itself an FDI target of $15 billion (Rs 69,000 crore) in 2007-08, compared to the $3.75 billion (Rs 16,875 crore then) India received in 2004-05. Is the target achievable? Yes, and only because it is Tata and Parekh promising it. The commission members have been out marketing India and, as Chidambaram noted while unveiling the report in Delhi recently, they have facilitated FDI worth $30 billion (Rs 1.38 lakh crore), including investments from South Korean steel major Posco and LG (for mobile phone handsets), among others. Before the Investment Commission was set up, the government had long employed the Indian Investment Centre (IIC) to attract FDI. But between 1981 and 1990, IIC was able to raise a bare Rs 1,250 crore in FDI. Mercifully, it was shut down when the Tata-led commission was set up. As Chidambaram himself says, the marketing of India as one investor to another, could only have been done by the commission, and not by the government. That's yet another reason why the commission's recommendations should be implemented in earnest.

It's All About Management

TIME WAS WHEN PEOPLE PLAYED and watched sports for the sheer joy of it. Players matched their skills against each other and the better team (sometimes) won. Then, money entered sports in a big way. Multi-billion dollar industries began to be built around games like football, tennis, motor racing, professional boxing and, in India, cricket. And over time, sports itself metamorphosed into a massive worldwide industry. But conventional wisdom continued to insist that it was business that had a lot to learn from sports, not vice-versa. Large companies, therefore, devised elaborate and, often, expensive models drawn from various games to teach their executives how to develop team spirit, think out of the box and develop individually within the overall remit of team goals.

Management guru? Italian coach Lippi

Now, however, it appears that the osmosis of knowledge between business and sports is a two-way street. This trend has resulted in a dramatic change in equations within teams. Captains have seen their roles reduced to those of shop floor managers (in games like cricket, where they do have a role to play) and team mascots (in games like football and hockey, where their role is more ceremonial). Simultaneously, the coach—who today plays the role roughly equivalent to that of a corporate CEO—has assumed larger than life proportions. Examples abound in every sport. The 2006 FIFA World Cup final was as much a battle between Les Bleus and the Azzuris as one between French coach Raymond Domenech and his Italian counterpart Marcello Lippi. It is being said that the latter very cleverly utilised the match fixing scandal enveloping the four biggest soccer clubs in his country to forge a team spirit that finally saw his team lift the World Cup.

Look at tennis; the rise and (till two years ago) dominance of Venus and Serena Williams is credited to the very astute—and, sometimes, controversial—management techniques of their father Richard. In cricket, too, coaches like Bob Woolmer and Greg Chappell have introduced management tools and concepts like laptops and player fungibility to squeeze out that bit of extra from their teams. This proves that management principles are themselves fungible, and can be adapted to almost any field of human endeavour. Can an IIM grad without practical experience in the game, then, someday hope to step into Chappell's shoes? Sounds outlandish? Don't bet on that. ■

Trends

What Now?

The failure of the WTO talks in Geneva may lead to increased protectionism. SHALINI S. DAGAR

SPARRING OVER TRADE BENEFITS, INTRACTABLE POSITIONS, TOUGH negotiations and mutual recriminations combined to condemn the recent ministerial-level World Trade Organization (WTO) talks in Geneva to failure. Dubbed the Development Round, the negotiations, which began in 2001, were meant to hammer out agreements on domestic farm subsidy cuts by the developed nations. In lieu of this, the developing world was expected to reduce industrial tariffs and open up its services sector. As the real and pragmatic interests of domestic constituencies collided with the theoretical benefits of free trade, both the developed and the developing nations hardened their positions, leading to the impasse in Geneva. "At the heart of the matter is the principle of less than full reciprocity," says Commerce and Industry Minister Kamal Nath. The intent of the Doha Development Agenda was to make trade rules fairer for developing countries. And the obvious contentious issue through the five-year-long negotiations has been the trade-distorting support provided by the rich countries to their domestic farm sectors.

According to estimates, the wealthy nations and blocs—primarily the US, Japan and the European Union—give $300 billion (Rs 13,80,000 crore) a year in support to their domestic agricultural sectors. To put the figure in perspective, that is about six times the aid that developing countries get from the developed world.

Lower import barriers on such subsidised farm products can result in them flooding developing markets, and have disastrous consequences on local livelihoods. Quite naturally, then, the developing world wants deep cuts in these farm subsidies in return for liberalisation of trade in industrial goods and services or non-agricultural market access (NAMA), which the North

RAVI S. SAHANI

Empty handed: Commerce Minister Nath wants more concessions

INSTANTIP

The fortnight's burning question.

INDIA IS IMPORTING WHEAT AFTER SEVEN YEARS. THERE IS A SHORTAGE OF PULSES IN THE COUNTRY. IS INDIA'S FOOD SECURITY UNDER THREAT?

No. Abhishek Singhvi, Congress Spokesman
This government is doing what should have been done earlier. The shortage of pulses is a temporary one. The government is taking steps to bring this situation under control.

Maybe. M.S. Swaminathan, Chairman, National Commission on Farmers
Domestic production of foodgrains not only provides food, but also generates employment. Importing foodgrains hits livelihoods. The government will have to do something in the long run to increase domestic production.

No. Siddhartha Roy, Chief Economist, Tata Group
There is a lot of foodgrain in the country. Looking purely at the low buffer stocks will not give a correct idea. In July-August every year, the buffer stock comes down, as we eat into our old stockpiles. However, one should be very much concerned if the monsoons aren't good this year.

COMPILED BY SHALEEN AGRAWAL

wants. But under pressure from lawmakers and its politically influential farming community, the US offered much less than what was expected; this led to the virtual collapse of the talks.

Meanwhile, the 149-strong WTO was also under pressure to stitch an agreement together before a December 2006 deadline. The matter gains urgency as a special US tool for speedy negotiations, the Fast Track Authority, expires in July 2007. Any subsequent WTO deal will be open to amendments by the US Congress. For the Bush administration to get enough time to push a deal through Congress before next July, a pact had to be frozen in Geneva. However, as Nath and his US counterpart reiterated in briefings later: "Content is more important than completion." Stuck on the details, countries such as US and India, which held the key to the agreement, felt it was better to return home empty-handed rather than with an agreement which could not be sold to their domestic lobbies.

TIMELINE

November 2001: Talks begin in Doha, Qatar. The intent: to reach an agreement on opening up agricultural and industrial markets. The underlying theme: global trade rules must be fair to developing countries.

September 2003: Cancun, Mexico. Negotiations on agriculture, industrial goods, services and custom codes collapse as the developing world refuses to accept one-sided agreements dictated by the industrialised nations. Deadline of January 1, 2005 for implementation is found unrealistic.

July 2004: Geneva, Switzerland. Talks resume. Members agree to the framework on further liberalisation of global trade. US, EU, Japan and Brazil agree to end export subsidies, reduce farm subsidies and lower tariffs. Developing nations agree to reduce tariffs on manufactured goods, but gain the right to specially protect key industries.

December 2005: Hong Kong. Deadline for elimination of farm subsidies on agri-exports by 2013 finalised.

June 2006: Geneva, Switzerland. Failure looms large again as the developed countries seek freer market access in return for less than expected reduction in domestic farm subsidies. December 31, 2006 deadline for conclusion of agreement looks improbable.

What now? Says Nath: "It is up to the developed nations to realise the development content of this round. They have to offer some real and substantial concessions rather than optical ones." But that is easier said than done. "The January 1, 2007 deadline looks extremely unlikely to be met," says Commerce Secretary S.N. Menon. "But remember, the Uruguay Round agreement took seven years to tie up," says Subir Gokarn, Executive Director and Chief Economist, CRISIL. India, meanwhile, is in a comfortable position. Though NAMA was one of the causes for the failure of talks, it is, by itself, not a worrying issue for India. "Applied tariffs in India are already well below our WTO commitments," says Menon. And on agriculture too, the developing world stood together and did not budge.

One possible downside of the failure of the talks, says T.K. Bhaumik, Chief Economist, Reliance Industries, will be a proliferation of free trade agreements and regional trade pacts. There are already some 190 such agreements in existence. "This will lead countries to adopt more protectionist policies," Bhaumik says.

REINVENTING STREET FOOD

FAWZAN HUSSAIN

Stomach bugs: No more

YOU WILL SOON BE ABLE TO SAVOUR YOUR favourite *pao bhaji, bhel puri, phuchkas* and *kathi* rolls without having to worry about stomach bugs. The Ministry of Food Processing will launch a pilot project by December this year to upgrade the quality of street food available in 15 cities around country. It will initially distribute 15,000 scientifically built insect- and rodent-proof food carts to vendors in these cities. The regulatory authority will also issue hygiene certificates which will have to renewed every three months without which vendors will not be allowed to operate. This project will be undertaken in association with the Tourism and Urban Development Authorities in the states. The Confederation of Indian Industry (CII), the Ministries of Tourism and Urban Development, various civic bodies and non-governmental organisations will also be involved in this project.

According to the National Policy for Street Vendors drawn up by the Ministry of Urban Employment and Poverty Alleviation, Mumbai has the largest number of street food vendors (250,000) while Delhi has around 200,000. "Thailand and Singapore have been able to upgrade their street food, which is now a global tourism magnet. Our initiative will also attract tourists who are already fascinated by India's ethnic foods," says P.I. Suvrathan, Secretary, Ministry of Food Processing Industry.

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Data theft, frauds: Indian BPOs in the spotlight

THE LAST TWO SCAMS AT MPHASIS AND HSBC'S Indian back office have turned the spotlight on how the Indian business process outsourcing (BPO) industry's biggest asset—its massive pool of cheap but high quality people—could turn into a big liability. "These scams have resulted in renewed interest in verification services," says Nobby Nazareth, CEO, Evaluationz India, a Bangalore-based background verification firm. It is estimated that 10-20 per cent of all applicants cite false educational qualifications and work experience. "There's a massive opportunity in verification services, given the sheer volume of recruitment taking place in the IT, BPO, pharma and manufacturing sectors," says Nazareth. Firms such as his charge around Rs 6,000-8,000 per candidate and take a fortnight to complete a full set of background checks.

"There are only a dozen or less large companies in this space, but there are hundreds of smaller detective agencies or executive search practices that have entered this segment," says a senior executive at Quest Research, which claims to be Asia-Pacific's leading background screening specialist. BPO operators, for their part, are still not totally sold on the concept of mandatory verification. "We have random checks for our employees and we have had no problems so far," says S. Nagarajan, COO (Chief Operating Officer) of 247 Customer, adding that all recruits to the firm's financial services business unit go through a full check.

The potential is massive. "The top five to six IT and BPO companies are hiring around 100,000 employees this year," says the Quest Research representative. That translates into a Rs 60-80 crore market from these companies alone. Not bad for an industry that hasn't yet been born.

RAHUL SACHITANAND

Deuce

DTH war starts at love all.

TATA SKY, THE DTH (DIRECT-TO-HOME) VENTURE of the Tata Group and STAR TV, is likely to launch its service in the next fortnight. The Telecom Disputes Settlement and Appellate Tribunal (TDSAT) is expected to issue a final order on a petition filed by ASC Enterprises, the DTH (direct-to-home) arm of Zee Group, seeking to restrain STAR network from sharing its channels with Tata Sky, by then. And, in another development, the Ministry of Information and Broadcasting has told Tata Sky not to carry signals of MTV, Nickelodeon and all other channels that discriminated in sharing their signals with DTH operators.

Confused? Well, let us explain. When ASC Enterprises launched its DTH service, Dish TV, two years ago, STAR, and some other channels, refused to share their signals with it. "Our competitors thought that sharing their content with us would give us a

Dish TV's fury: Who will bear the brunt of it?

decisive early mover advantage and mar the prospects of their DTH ventures when they were launched," says a top Dish TV executive. Dish TV did manage to reach an agreement with One Alliance, the distribution arm of Sony Entertainment and Discovery India recently (it also distributes MTV and Nickelodeon), but STAR still kept dilly-dallying. When ASC Enterprises went to TDSAT with a complaint, STAR TV reportedly, in an undertaking, said that it will not share its signals with any DTH operator.

These issues are likely to be resolved after Tata Sky launches its service. But, that won't change what appears to be unfair and discriminatory business tactics.

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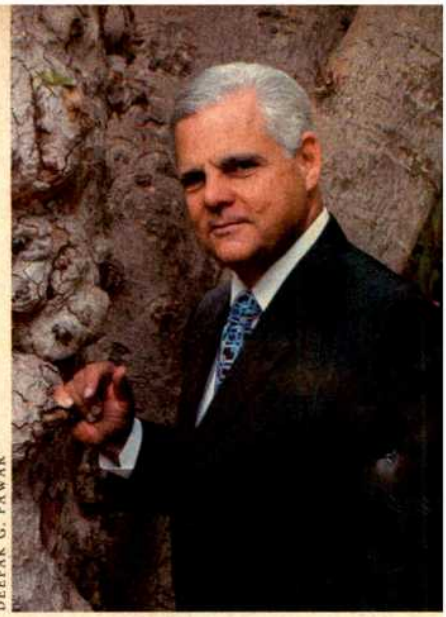
Q&A

"Other Countries Should Follow India's Example"



DEEPAK G. PAWAR

OVER THE LAST THREE YEARS, **Joseph M. Tucci,** *Chairman of the Board of Directors, President and Chief Executive Officer,* EMC, *an information storage and management company, has spent nearly $5 billion (Rs 23,000 crore) in transforming the company from a plain vanilla vendor of storage boxes into a $9.6 billion (Rs 44,160 crore) provider of information management solutions. Tucci, 58 who was in Bangalore recently, tells* BT's **Rahul Sachitanand** *that global acquisitions will continue to be a cornerstone of the company's strategy and that India is among its most important locations worldwide. Excerpts:*

How is EMC placed in the market?

Our strategy of Information Lifecycle Management has helped us reposition EMC as a broader provider of data management solutions (from a pure vendor of storage boxes). The lifeblood of a business is information and you need it to understand your customers better, and to manage relationships with employees better. Information stored on disk arrays has grown at 60 per cent CAGR (compounded annual growth rate) over the last nine years, so the amount of information being generated today is phenomenal. And in the hi-tech world we live in, companies that miss just one product cycle can be in trouble. So, our transformation will never be complete.

How is EMC's positioning different from that of competitors such as Veritas (which was acquired by Symantec in December 2004 for $13.5 billion or Rs 62,100 crore)?

Will storage continue as a standalone industry or will it become integrated with security and networking?

Symantec is a competitor and Cisco is a partner; Symantec doesn't do physical storage, but it can manage the data. Information needs to be secured, so we offer things like encryption and digital rights management. But, markets are all changing and I do think networking and storage get close on the edges. (Cisco CEO) John Chambers views EMC as a critical and core partner and Symantec is in a business (antivirus) that we are not in and don't intend to get into; so we're competitors more on the Veritas side (of the business). You must remember that you have to secure everything, so Cisco is going to make a big play in networking. But even if you put up the best firewall, someone will figure out how to break it. We partner with Microsoft, but they also compete against VMware, which we own, but that's fine.

Which are the trends to watch out for in the storage industry?

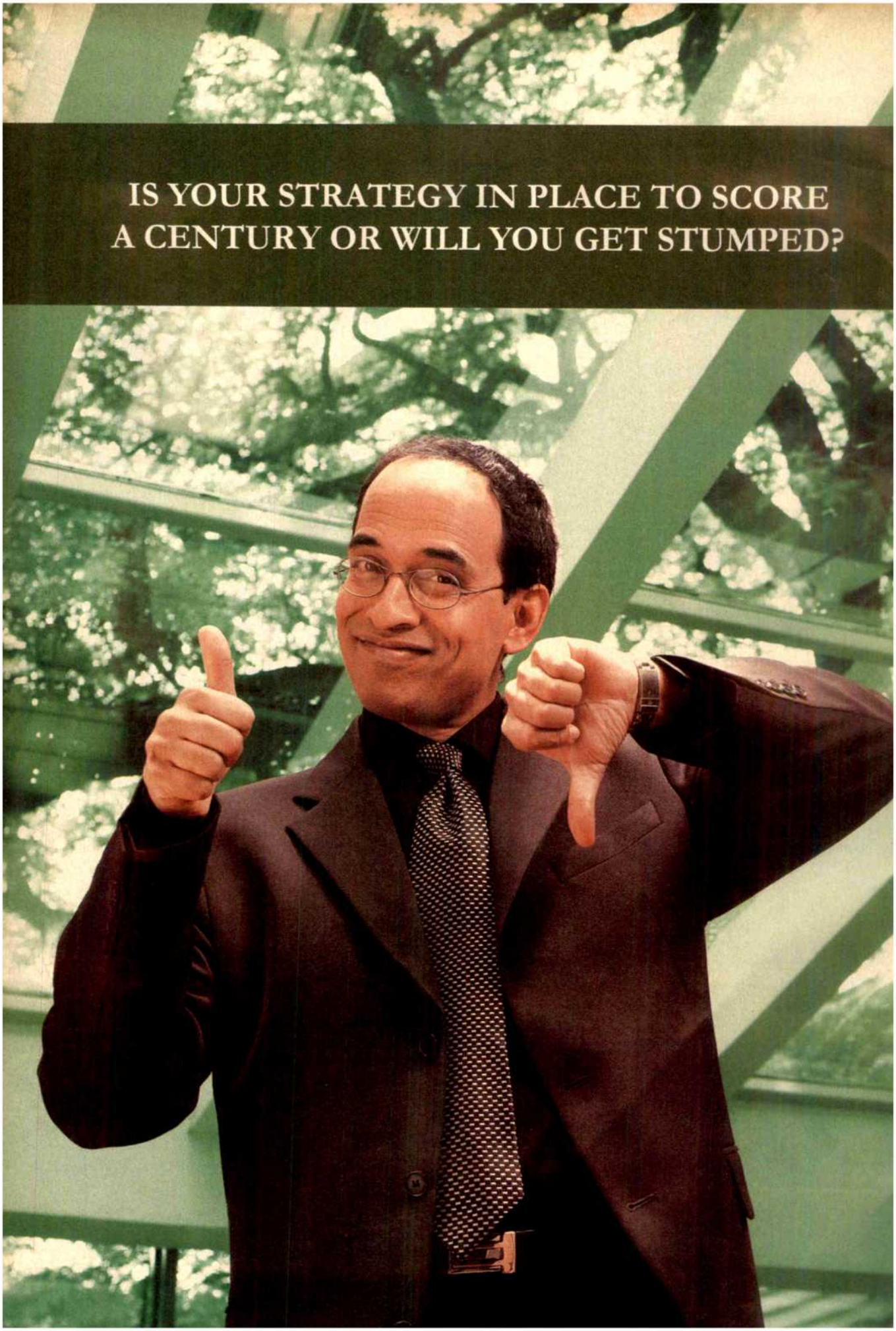
Storage virtualisation (the pooling of physical storage from multiple network storage devices into what appears to be a single storage device that is managed from a central console) is one of the more important trends, but there are others as well. Disk drives are not reliable, you want to use RAID (Redundant Array of Independent Disks, a storage medium which offers increased performance and tolerance compared to conventional forms) protection, if its critical information; you need to decide how quickly you want to retrieve information. Another key is heterogeneous replication, where you can back up on different storage types. Companies want to make sure that their data is secure, so other technologies such as compression and virtualisation are all becoming important.

Where does India fit into your plans?

India is absolutely critical to our plans. There is no other country (apart from the US) where we do everything in; we work here on almost every product line that we have. We are planning to double our investment in India. Sixteen months ago, I talked of more than doubling our investment from $100 million (Rs 460 crore) to $250 million (Rs 1,150 crore). I am now increasing this to $500 million (Rs 2,300 crore) and I can tell you: this won't be the last time I am here for such an announcement.

Do you worry that innovation is leaving US shores and heading to places like India and China?

I don't think the US is losing its edge. It used to be perhaps the only place for innovation. Now, because of India's emphasis on education, it is turning out tremendous engineers. That is why India, and some other parts of the world, are beginning to catch up. As I go around the world, I go on preaching how other countries need to do what India is doing.


IS YOUR STRATEGY IN PLACE TO SCORE
A CENTURY OR WILL YOU GET STUMPED?

Wise To Be Healthy

Table showcases the most common health packages available today across some major hospitals.* Package features are largely similar; varying in details or extras, but the price range is fairly wide.

PACKAGE	FEATURES	AVAILABILITY	PRICE
Comprehensive	Whole body check, includes all pathological tests, liver & kidney checks, ECG, ultrasounds, electrolyte tests, dental, eye, audiometry, diet counselling, etc.	Manipal (Bangalore), Fortis, Apollo & Max (Delhi), MIOT, Apollo (Chennai), Wockhardt, Breach Candy, Hinduja & Jaslok (Mumbai), Care, Yashoda & Global (Hyderabad), Peerless, AMRI & Bellevue (Kolkata)	Rs 1,300 (Fortis, Delhi) to Rs 9,200 (Care, Hyderabad)
Well Woman	Diabetic & cardiac evaluation, general investigations, mammography, other gynaecological tests	Manipal (Bangalore), Fortis Apollo & Max (Delhi), MIOT & Apollo (Chennai), Wockhardt, Breach Candy, Hinduja & Jaslok (Mumbai), Care & Global (Hyderabad), Peerless, AMRI & Bellevue (Kolkata)	Rs 250 (Manipal, Bangalore) to Rs 6,000 (Breach Candy, Mumbai)
Senior Citizen	Routine physical examinations plus sugar, urea, cholesterol, sodium & potassium tests, X-ray, ECG, etc.	Wockhardt & Jaslok (Mumbai)	Rs 2,200-3,000
Diabetic	Haemogram, blood tests, serum creatinine, lipid tests, eye tests, etc.	Apollo (Delhi), MIOT & Apollo (Chennai), Wockhardt, Breach Candy & Jaslok (Mumbai), Care, Yashoda & Global (Hyderabad)	Rs 225 (Jaslok, Mumbai) to Rs 5,450 (Care, Hyderabad)
Cardiac	General health check plus ecocardiograph & other cardiac checks	Fortis & Apollo (Delhi), MIOT & Apollo (Chennai), Wockhardt, Breach Candy & Jaslok (Mumbai), Care & Yashoda (Hyderabad)	Rs 295 (Care, Hyderabad) to Rs 4,950 (Apollo, Chennai)
Child Health	Blood, pathological tests, growth evaluation, eye tests, etc.	Manipal (Bangalore), Apollo (Delhi)	Rs 800-950

*Not a comprehensive listing

Source: Hospitals

able to individual patients. However, despite this, you might find that the package works out a lot cheaper than the various tests taken individually. For instance, a diabetic package at the Yashoda Hospital in Hyderabad costs Rs 540 while the various tests taken individually add up to about Rs 900.

And often it's not about the costs. Patients like Sonoo Prem Advani, 45, very regular with her annual checks, say the hygiene and overall ambience makes premium corporate hospitals score. "My husband was treated at Bangalore's Manipal Hospital and the staff was skilful and courteous. We opted to come here when it came to a health plan," she says.

See how you can max your discounts. Many hospitals provide discounts on specific credit cards or mobile subscriptions. According to T. Ramoji, Chief Financial Officer, Manipal Health Systems, the hospital offers up to 10 per cent discount for such tie-ups.

But watch out for hidden costs—speak to hospital authorities and ask for package details upfront before signing up.

How To Choose

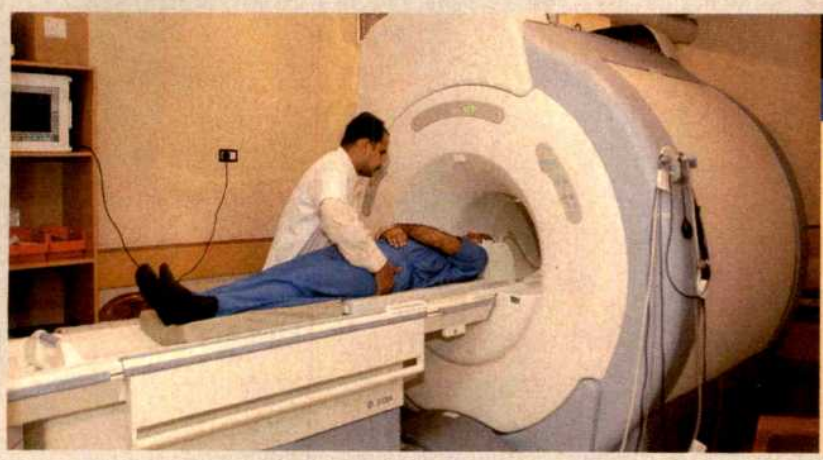
While costs are key, don't overlook simple factors like distance from your house, parking space, or the hospital's canteen facilities. Another key determinant is the number of tests a hospital offers. Chennai's Apollo, for instance, is reputed for the sheer gamut of tests offered at relatively lower costs.

However, an endless list of tests alone need not make the cut. Anish Singh, 36, CEO of Techbridge Networks, a Bangalore-based HR firm, points out how large hospitals pile on frivolous tests such as teeth polishing or hair-weaving. Look for a sensible and reasonably priced package. Yes, preventive health is the way to go, but make sure the package you sign agrees with your wallet as well.

ADDITIONAL REPORTING BY E. KUMAR SHARMA, NITYA VARADARAJAN, SHALEEN AGRAWAL, RITWIK MUKHERJEE AND AHONA GHOSH

Just What The Doc Ordered

Do package deals from corporate hospitals make sense for your health and your wallet? RAHUL SACHITANAND



VIVAN MEHRA

Health Wise

Why a package makes sense.

- Packages are cheaper than individual tests
- Paying up forces you to check your health once a year
- The money is a one-time investment in good health
- Cost-effective for chronic patients
- Regular eye or teeth checks help avoid huge treatment bills later

AROUND 8:00 A.M. EVERY morning, some 70-100 fit and healthy people make their way to the basement of Bangalore's Manipal Hospital, past rows of waiting patients and minders. Why are they here? To undertake five hours of tests, analysis and other pokes and prods hitherto reserved for only the sick or dying. As healthcare moves away from curing illnesses to catching them early and preventing them, everyone's making a beeline for the swish corporate hospitals to take one of the many master health checks on offer.

From executives to stay-at-home mothers, they are all queuing up for healthcare. Companies set the trend, signing up corporate package deals for their employees across cities. Wockhardt has eight hospitals across the country that together service more than 300 companies. "I definitely believe that a wave of good healthcare has arrived, which companies want to extend to their executives," says Vishal Bali, CEO, Wockhardt Hospital.

Corporate entities, however, are just a fraction of a larger community of people who now want to take a proactive role in managing their health. As awareness grows, more people are opting for prevention over cure. And there are all the new-age worries—obesity, stress, keyboard injuries and the rest—that make an annual check-up look almost life saving.

Who's Checking?

"We get many people in their 30s coming to us with heart and other serious problems, due to irregular routines, stress and lack of sleep. We target these people under our preventive health checks and tell them to modify their lifestyle, alter diets and exercise," says Dr. G.C. Vaishnava, Senior Consultant and Coordinator (Internal Medicine) at Delhi's Fortis Hospital. This is the basic or comprehensive check-up, the most common package.

Women are another target group, with their particular vulnerabilities making annual check-ups especially vital. And as you grow older, of course, the need for regular tests becomes more imperative. Krishna Rao Dannapaneni, 55, has been a regular at the Care Hospital in Hyderabad for the last three years. Now he says: "I wish I had known before... I would have started my check-ups even earlier." While retirees can go for regular comprehensive check-ups, only Wockhardt Hospital in Mumbai offers a special senior citizen's package today, priced at about Rs 2,200. Many hospitals today are also looking at tailoring packages for children, as worries about early dental or optical intervention get more pronounced.

Most hospitals offer the comprehensive or whole body check-up, although the specific tests comprising it may vary. Almost all common pathological tests are included, along with ECG and ultrasounds, but some hospitals like the Apollo Group might throw in a mammogram for women. Special packages include diabetic or cardiac check-ups or the lung health package, especially pertinent for smokers, offered by Hyderabad's Global Hospitals.

Cost Of Health

The big plus of signing up for a corporate group plan is the fat discount that comes with it, not avail-

Reality Bites

SO, NOW YOU CAN PART-OWN THOSE GLEAMING GLASS-FRONTED offices in Mumbai's Bandra Kurla or those swanky malls in Gurgaon by parking as little as Rs 3,000 in a real estate mutual fund (REMF). SEBI (Securities and Exchange Board of India) has finally allowed over two dozen mutual funds to float REMFs on the lines of equity and debt schemes.

"Real estate is a new asset class and offers a good diversification strategy for small investors," says N. Sethuram, Chief Investment Officer, SBI Mutual Fund. However, as market sources point out, property valuations and price discovery mechanisms are still very murky. Realty doesn't fluctuate daily, so experts say exit prices will be difficult to decide. Globally, REMFs have lock-ins of eight to nine years, which provides enough time to absorb real estate cycles, but Indian investors typically want much quicker turnovers. So, overall, it's untested waters.

Our advice: don't jump at the very first REMF to hit the market. Wait and watch and see how things go before taking the plunge. Then, go for funds from players like HDFC or ICICI Mutual Fund who have expertise in the realty market.

ANAND ADHIKARI

The Plot

Here's what the new real estate funds are going to look like.

NATURE OF FUNDS	CLOSE-ENDED
Investment landscape	Minimum 30% in properties and 40% in shares or debt instruments of real estate companies
Tenure	Seven to nine years
Minimum lock-in period	Three years
Returns on investment*	15-20%
Transparency	Daily NAV disclosure

*As envisaged by real estate funds Source: Market

Some facts about realty investment

- Unorganised market where black money plays a big role
- Subjective valuations
- Funds lack experience and expertise in realty
- No mechanism to value property daily for NAV disclosure
- Real estate on correction mode
- Indian investors tend to be short-term while realty is long-term play

Name's Bond, Municipal

Municipal bonds: They're back

MUNICIPAL BONDS MIGHT make a comeback in about three months. As the Urban Renewal Mission initiates projects across 63 cities, municipalities are expected to raise funds to the tune of about Rs 5,000-8,000 crore through these bonds over the next four to five years. Not only will mandatory credit rating be introduced for these instruments, tax breaks will apply to both municipal and 'pooled' municipal bonds. The latter are issued by special purpose vehicles formed by a group of municipalities with small individual fund requirements. Pooling allows for improved credit-worthiness, lower issuance costs and better servicing. The government also plans to allow insurance companies, banks and provident funds to subscribe to the bonds. Optimists expect the instruments to re-debut with an effective yield of about 11 per cent. Even if returns aren't finally pegged that high, the bonds make for solid proxy investments in infrastructure.

SHALINI S. DAGAR

Covering All Bases

OF EVERY RS 100 IN PREMIUM THAT IT RECEIVES, NATIONAL Insurance Company (NIC) found it was paying Rs 136 as settlement. Some major restructuring later, NIC is ready to launch three interesting new covers in health insurance, all with sub-limits and new sum assured slabs and age bands. Sub-limits are not great news for policyholders because that means limits are set on individual expense heads like room rent, medicine, surgery, etc. However, premiums are expected to come down. Vidyarthi Bima, the student cover, for instance, offers a minimum sum insured of Rs 50,000 at a monthly premium below Rs 600. And Parivar Bima, the family floater policy, covers all family members under a single policy, thus lowering premiums. The eagerly awaited policy though, to be launched in October, is the senior citizen's cover with hospitalisation and critical illness benefits, something retirees direly need today.

RITWIK MUKHERJEE

School time: Student cover at low rates

NEWS ROUND-UP

Ten-Year-Olds Talk Sense

If equity is about the long term, why aren't investors looking at older schemes with solid track records?

SO, THE SECURITIES AND EXCHANGE BOARD of India (SEBI) had to crack the whip again. Seeing the salvo of new fund offerings (NFOs) in the past few months, SEBI has asked mutual funds to desist from launching new schemes that resemble those already in their portfolio. That should effectively kill most because the truth is few NFOs have anything substantially new to offer.

Take, for instance, the Leadership Fund launched by UTI AMC on January 9, 2006. It is a lot similar to the UTI Equity Fund launched in April 1992. Both funds invest in companies that are leaders in their respective sectors. This itself is a fine distinction—in plain language both are simply equity diversified funds. And if you look at the May 2006 portfolio of both schemes, six stocks (Infosys Technologies, Grasim Industries, Bharti Airtel, Satyam Computers, ITC and NTPC) of the top 20 in both portfolios are the same. The weightage given to the six stocks in the Leadership Fund is about 26 per cent of total portfolio while in the Equity Fund, it is about 33.5 per cent.

A Rose By Any Name

Or take Sundaram BNP Paribas' Select Focus Fund (launched in July 2002), Leadership Fund (July 2004) and Rural India Fund (May 2006): the portfolios and investment themes are startlingly similar. ING Vysya's Select Stocks Fund and Equity Fund not only have similar themes, eight common stocks account for over one-fifth of both portfolios. In 2005, about 40 NFOs were launched in the equity space, which together collected Rs 25,200 crore, while existing schemes bled. Says Sameer Kamdar, National Head (Mutual Funds), Mata Securities: "It's old wine in new bottles."

Decathlon

The table lists funds that are at least 10 years old; there are several that are older. For instance, Franklin India Bluechip-Growth launched in November 1993, which shows 30 per cent returns (annualised) since inception. Or take Reliance Growth (launched in October 1993; 31 per cent) or Tata Growth (launched in June 1994; 29 per cent). The point is, there are several schemes with proven track records of 10 or more years that show good returns and solid management, and are worth your money.

		COMPOUNDED ANNUALISED RETURNS % (POINT TO POINT)			
SCHEME	LAUNCH DATE	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
HDFC Taxsaver-Growth	Mar. 31, '96	43.76	65.28	47.44	42.94
Birla SunLife Capital Tax Relief 96	Mar. 29, '96	36.02	43.14	34.24	38.15
India Advantage Fund	Aug. 8, '96	39.94	56.52	41.68	34.17
Principal Personal Taxsaver	Jan. 1, '96	26.94	42.04	29.18	30.55
HDFC Top 200-Growth	Aug. 31, '96	46.27	52.90	43.45	26.45
Tata Tax Saving Fund	Mar. 31, '96	22.69	49.31	35.66	26.03
Principal Tax Savings Fund	Mar. 31, '96	42.94	52.16	38.31	21.59
Tata Select Equity Fund-Appr	May 24, '96	47.61	56.56	38.59	19.60
Templeton India Growth Fund-Growth	Aug. 26, '96	31.08	46.02	34.14	19.14
BOB ELSS 97	Dec. 30, '96	37.56	N.A.	37.15	16.78
Taurus Libra Taxshield	Mar. 31, '96	-4.39	28.76	28.34	13.74
Indices					
S&P Nifty	—	37.39	38.28	22.19	—
BSE Sensex	—	43.70	41.31	24.35	—

Returns as on June 28, 2006 N.A.: Not available Source: MutualFundsIndia.com

And you cannot blame it just on mid-size AMCs wanting to make a quick buck in a bull market. Equally culpable are investors who rush after NFOs, without realising there are plenty of solid schemes, many a decade old, offering pretty much the same stuff. What tempts them? The belief that NFOs are cheap since they are issued at Rs 10 per unit without the understanding that this net asset value (NAV) is a mere reflection of the underlying equity asset.

Says Kamdar about the SEBI crackdown: "It's a welcome move. AMCs can now emphasise existing funds and focus more on performance." Equity is a long-term play and investors should be prepared to wait eight to 10 years for their portfolios to grow. There are about 45 schemes around that are more than 10 years old and most give returns of up to 42 per cent (see table). Understand that the longer you stay invested and the larger the corpus of the fund, the lower the fund expenses and thus the higher your returns. Tax-savers, if you notice, with their three-year lock-ins, have performed better than equity open-ended funds.

MAHESH NAYAK

in price is reflected in your margin account. Assume you pitch on gold at Rs 10,000 for 10 gm, and pick up a kg for Rs 10 lakh. You pay Rs 70,000 upfront (7 per cent margin). If the price goes up by Rs 5,000 the next day, the difference of Rs 5,000 is credited to your account. If the price decreases the day after by Rs 4,000, you are left with just Rs 1,000 profit. If, however, the price decreases by Rs 6,000 subsequently, you have to make up the Rs 5,000 difference in your margin amount. You stand to make huge profits if first, the market always goes up, and second, the appreciation in the market is good enough to cover your rollover costs.

At the end of the contract period (one-three months), you can withdraw your net profit and take a fresh position or buy a new contract. You can, though, terminate your contract before the due date, even on the day you take it.

Caveat Emptor

Though commodities are less volatile than equity, the fact is, nobody can predict markets. So, think long, plan to book losses and profits over a target period, and check your position at the end of 12 months. Chances are your kitty will look better than conventional ones.

Before serious trading, know your commodities: learn the difference between sweet crude and Brent crude, between basmati and *sarbati* rice, gold and gold HNI (high net-worth individual). Some fast moving commodities include gold, silver, crude, base metals such as copper, aluminium and zinc, and agro-products like *chana*, chilli, wheat and sugar. Commodity information is available from websites like *www.kitco.com*, *www.thebulliondesk.com*, *www.basemetals.com*, or *www.commoditiescontrol.com*.

SHOME BASU

Overdrive: Derivative trading has overtaken the equity cash market

Know Your Broker

Many brokers today offer commodity services. Check before signing.

- Look for somebody with a clean reputation and financial muscle to withstand market vagaries
- Ask for a pan-India presence and whether the broker plans online services
- Go for brokers who offer to handhold you post-registration and help you navigate the commodity world
- Ask about the frequency of research reports
- Find out where the broker is registered—NCDEX or MCX
- Does the office work between 10.00 a.m. and 11.30 p.m. (for commodities) and where do you fax/e-mail your buy-sell instructions?

The NCDEX and MCX sites are also useful. "Generally, it is easier for newcomers to understand globally traded commodities because information is more easily available," says Pandit.

If you've stashed away Rs 1 lakh for investment in the market, it would be a good idea to split it 60:40 between equity and commodities. A zinc price crash can affect your Hindustan Zinc scrip, while copper lows will concern Sterlite. Commodities help buffer your equity holdings. "In commodities, the assets have physical need and consumption. Hence, price fluctuations are automatically checked," says Shah of MCX. However, your commodity portfolio is more global than equity—risks emanate from Sydney or Chicago or elsewhere. And you have to monitor rupee and dollar rates.

Basically, there are two ways how commodity futures score over other investments. First, good judgement lets you make more money faster because prices tend to change more quickly than in equity or real estate. Second, futures are highly leveraged—you put up only a percentage of the full value as margin, but your profits ride on the full value. If you can make the most of this in an informed way, trading could take on a whole new meaning.

& Derivatives Exchange Ltd (NCDEX) and MCX. Turnover at these exchanges has zoomed from Rs 5,11,000 crore in 2004-05 to Rs 21,00,000 crore in 2005-06.

Plus, several stockbrokers today offer commodity brokerage services, and most players expect that futures trading in commodities will soon overtake that in stocks. "Derivative trading is mostly non-delivery trading—today it is still smaller than the futures and options of the equity markets, but larger than the equity cash market—with an average daily turnover of around Rs 15,000 crore," says Mohan Natarajan, Director, Kotak Commodities.

However, what is lagging behind is the development of a strong commodity regulator and a physical delivery system. Today, NCDEX and MCX maintain settlement guarantee funds and arbitration panels. Although the Forward Markets Commission (FMC) has been put in place, it has not yet been given teeth. The basic infrastructure to monitor exchanges and brokers is ready, and online trading has been launched. Meanwhile, a bill is pending to strengthen FMC and warehousing facilities.

How It Works

You could kick off your commodity portfolio with a minimum of Rs 15,000, but Pandit advises an initial outlay of Rs 25,000 if you want to hold more than one globally traded commodity.

At any point, you have three concurrent contracts starting from the 21st of each month. So, if you enter the market on, say, July 28, you can purchase three futures—the August future, the September future and the October future—each priced differently. But you pay only a margin amount (varies according to the commodity), and everyday, the increase or decrease

Come To Terms

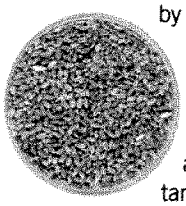
Some concepts commonly encountered in the commodities arena.

TYPICALLY, THERE ARE THREE CATEGORIES OF PLAYERS IN THE COMMODITY MARKET—hedgers, speculators and arbitrageurs.

Hedgers could be either producers or consumers who want to transfer the price-risk onto the market. Producer hedgers are those who want to mitigate the risk of prices declining by the time they actually produce their commodity for sale, while consumer hedgers want to mitigate the risk of prices rising.

Speculators are the investors and traders who want to benefit or profit from these price changes. They serve as counterparts to the hedgers and accept the risk offered by the latter in a bid to gain from favourable price variations.

Arbitrageurs exploit the price difference between exchanges and markets by buying at one exchange and selling in another.



Contango and **backwardation** are two other useful terms to know. A contango is when the price of a commodity for future delivery is higher than the spot price. Or the price of a later futures contract is higher than that of a nearer future one. The reverse is backwardation. "In a contango, it is as if the market is providing an incentive to hold the goods and delay its consumption," says Ajoy Pathak, Head (Research), Kotak Commodities. "In a backwardation, the market is providing incentives to consume the commodity and penalising the holder of the commodity."

A contango happens when the commodity is expected to be in short supply while a backwardation occurs when generous supplies are anticipated. For instance, in agri-commodities, backwardations appear during harvest seasons while for the rest of the period, the market exhibits a healthy contango.

Trading Places

A list of the 10 most frequently traded commodities, which shows when the contracts usually terminate and an indication of ruling prices.

COMMODITY	FREQUENCY*	EXPIRY ^	52-WEEK HIGH/LOW (RS)	CURRENT PRICE** (RS)
Crude Oil (Rs/barrel)	Monthly	15	3,426/2,454	3,408
Wheat (Rs/quintal)	Monthly	20	976/753.40	834
Aluminium (Rs/kg)	Monthly	Last day	151.45/84.25	120.35
Copper (Rs/kg)	2, 4, 6, 8, 11, 12	Last day	397.85/141	342.05
Steel (Rs/tonne)	Monthly	20	20,800/15,550	17,350
Gold (Rs/10 gm)	2, 4, 6, 8, 10, 12	5	10,763/5,994	9,334
Zinc (Rs/kg)	Monthly	Last day	180.90/118	150.50
Silver (Rs/kg)	1, 3, 5, 7, 9, 12	5	23,148/10,146	16,950
Soybean Oil (Rs/10 kg)	Monthly	20	426.50/337.30	405
Sugar (Rs/quintal)	Monthly	20	2,110/1,785	1,906

*Monthly refers to commodities that are traded every month. Other commodities can only be traded on certain months, referred to by the numbers 2, 4, 6, etc., which stand for February, April, June, and so on

^ Expiry is the date of the month on which the particular commodity contract terminates. Last day is the last working day of the month

**As of July 4, 2006

Source: Kotak Commodities

New fields
New yields

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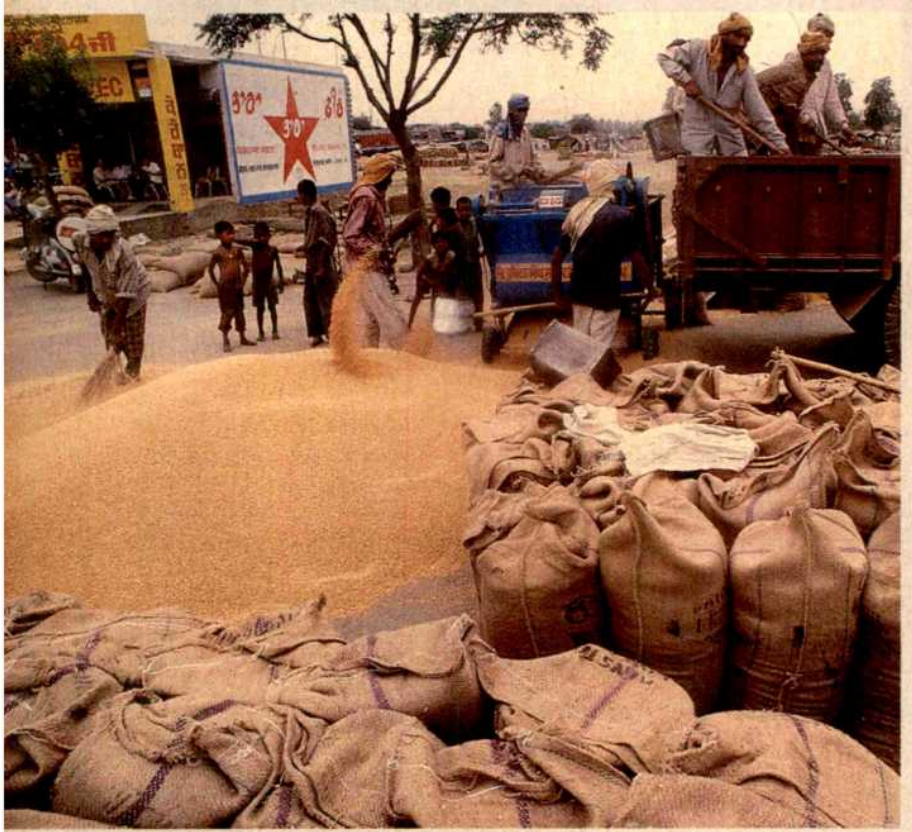
Catch The Trade Winds

Did you know that the risk-reward ratio in commodities is better than that in equity? Find out more from this primer on commodities. NITYA VARADARAJAN



Piling up: Futures trading in commodities such as wheat is taking off

On The Blackboard

Some basics of commodity trading:

- FCRA (Forward Contracts [Regulation] Act, 1952) recognises all agricultural, mineral and fossil products as goods allowed for commodity trading
- List includes metals (gold, etc.), cereals, pulses, cotton, rubber, jute, oils, potatoes, onions, sugar, coffee, tea, spices, etc.
- Commodities are traded through special exchanges called commodity exchanges. There are three national multi-commodity exchanges in India (NCDEX, MCX, NMCE), which have made commodity trading more accessible to average investors
- Instead of physically trading in, say, sacks of wheat, commodity trading means buying 'futures'. That is, you contract to buy or sell a certain quantity of wheat at an agreed price on or before an agreed date
- Biggest driver of commodities is economic growth, and India, with its galloping growth rate, is considered a future hub of commodity trading

IT OFFERS ANNUALISED RETURNS ranging, by conservative estimates, between 18 per cent and 25 per cent," says Anand Chowdhary, Marketing Head (South), Motilal Oswal Broking Services. "Its risk-reward ratio is definitely better than that of equity," says Jigar Pandit, Manager (Commodities), ShareKhan.com. "It's considered a steadier play than equity," says Jignesh Shah, Managing Director, Multi Commodity Exchange of India Ltd (MCX).

Know what these people are talking about? Commodities. And if you think the very word is deadly dull, know that the money you could make is anything but.

It is hardly our case that average investors jump *en masse* into commodity trading. That would be foolhardy, as risky as buying equity shares in a business that you know nothing about. Commodity trading is as complicated as any other investment, and requires as much if not more research if you are not to make a total hash of it. But an introduction today could go a long way. Commodity markets thrive when economies grow, and India and China are at the helm of a global economic boom. India is expected to soon be an important contributor to global commodity trade, already having a significant say in gold, sugar and oilseeds.

The last two-and-a-half years have seen the commodity market getting far more regularised, with three fully computerised exchanges now—the National Multi-Commodity Exchange of India Ltd (NMCE), the National Commodity

What's eating into your investment returns?

When you invest in an equity mutual fund that focuses on keeping distribution costs low, more of your money gets invested. We reach out to investors directly and do not use distributors to "sell" our fund. This way, we save you money by eliminating the distribution commissions and minimizing other expenses. Moreover, even in a volatile market, we remain steady with our disciplined research and investment process, focused on the long term preservation and growth of your capital.

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Tel: 91-22-2287 5923 • Fax: 91-22-2285 4318 • E-mail: Info@QuantumAMC.com • Website: www.QuantumAMC.com

Investment Objective: The scheme's investment objective is to achieve long-term capital appreciation. **Asset Allocation**: The scheme will primarily invest in Equity and Equity related securities, but may invest in money market instruments to meet liquidity needs. **Terms of Issue**: The scheme is an open-ended Equity Scheme offering Growth and Dividend Plans. The units are available at the applicable NAV, subject to applicable load, on all business days . **Entry Load**: Nil. **Exit Load**: On redemption/switchout within 6 months of allotment - 4%, after 6 months but within 12 months - 3%, after 12 months but within 18 months - 2%, after 18 months but within 24 months - 1%, after 24 months - Nil. **Statutory Details**: Quantum Mutual Fund (the Fund) has been constituted as a Trust under the Indian Trusts Act, 1882. **Sponsors:** Quantum Advisors Private Limited (liability of Sponsor limited to Rs. 1,00,000/-). **Trustee**: Quantum Trustee Company Private Limited. **Investment Manager**: Quantum Asset Management Company Private Limited (AMC). The Sponsor, Trustee and the Investment Manager are incorporated under the Companies Act, 1956. **Risk Factors:** Investments in mutual funds are subject to market risks including uncertainity of dividend distributions and the NAV of the scheme may go up or down depending upon the factors and forces affecting the securities markets and there is no assurance or guarantee that the objectives of the scheme will be achieved. The past performance of the Sponsor has no bearing on the expected performance of the scheme. **Quantum Long Term Equity Fund** is the name of the scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or returns. **Scheme specific risk**: The scheme is the first equity scheme launched by the AMC. The AMC has no previous experience in managing equity schemes. Equity and Equity-related instruments are by nature volatile and prone to price fluctuations due to both macro and micro factors. Trading volumes, settlement periods, transfer procedures and investments in unlisted securities may restrict liquidity of these investments. Please read the Offer Document before investing. Offer Document/Key Information Memorandum/Application Form available at the QuantumAMC Office.

Maxigen/BT/676

Sensex's Take Five

Look at these lists to get some vital investment clues about Sensex stocks.

Sensex stocks over-owned by FIIs

COMPANY	FII STAKE (%)
HDFC Ltd	68
Satyam	52
ICICI Bank	47
Infosys	38
HDFC Bank	34

As on March '06 Source: BSE

Sensex stocks under-owned by FIIs

COMPANY	FII STAKE (%)
NTPC	7
ONGC	8
SBI	12
ITC	14
Maruti Udyog	15

As on March '06 Source: BSE

Top dividend yield stocks

COMPANY	DIVIDEND YIELD (%)
ONGC	4.56
Tata Steel	3.38
NTPC	3.17
Hero Honda	3.11
HLL	2.69

As on June '06 Source: CMIE

Top turnover and profit growth for Mar '06 fiscal

COMPANY	SALES GROWTH*	NET PROFIT GROWTH*
Bharti Tele	42	70
Wipro	42	36
BHEL	40	74
HDFC Bank	49	31
TCS	39	36

*Percentage growth over March '05 fiscal Source: Capital Market

New On The Block

Sensex constituents keep changing based on their free float market capitalisation. Here are some stocks that recently exited the Sensex and those that entered in their stead.

DATE	EXIT	ENTRY
Nov. '03	Castrol, Colgate Palmolive, GlaxoSmithKline, HCL Technologies, Nestle	Bharti Tele, HDFC Bank, Oil and Natural Gas Corp. Tata Power, Wipro
May '04	Larsen & Toubro	Maruti Udyog
Sept. '04	Mahanagar Telephone Nigam Ltd	Larsen & Toubro
June '05	Hindustan Petroleum Corp. Ltd, Zee Telefilms	National Thermal Power Corp. Tata Consultancy Services
June '06	Tata Power	Reliance Communications Venture

Source: BSE

Start At The Bottom

Buying into a sector is not always a sure recipe for success. There may be stocks within an underperforming sector that hold excellent potential for growth. Experts suggest the evergreen bottom-up approach to stock picking, where you study both the quantitative (fundamental numbers) and qualitative (management) aspects of a stock before picking up the clear dark horses. Picking from the Sensex basket, you need not worry too much about company management, but a close look at the growth in sales, net profit and earnings per share is a good indicator of where to start. Some Sensex toppers in sales and net profit growth include telecommunication major Bharti, IT giant Wipro and engineering PSU BHEL (see *Sensex's Take Five*).

Yield To Temptation

If you are a short-term investor or have some surplus money you are looking to park in a lucrative space, go for stocks with high dividend yields. The dividend yield percentage of a share is calculated by dividing the dividend per share by the market price per share. Since dividend season is around the corner, many Sensex stocks look attractive as short-term investments, while still holding ample promise of capital appreciation in future. Some such picks include ONGC, Tata Steel and NTPC (see *Sensex's Take Five*).

Institutional Support

Institutional interest is also a good indicator of the potential of a stock. Most Sensex stocks have a very heavy presence in the portfolios of institutional investors. Over the years, FIIs (foreign institutional investors) have increased their stake in many companies like HDFC and ICICI Bank. "These are the stocks where there is expectation of higher revenue growth. FII interest shows intrinsic strength," says Pankaj Namdharani, Investment Analyst, SPA Securities. Equally, tread carefully if your preferred stock is not overly fancied by institutional investors or has just been dumped.

Once you have vetted Sensex stocks on some of these parameters, you could come up with an interesting shortlist of stocks for your portfolio. Check out the list of 10 we have picked (see *Up For Grabs*); they represent the pick of the Sensex and make the cut not just in terms of valuations but also fundamentals. And remember, when you buy Sensex stocks, you are buying the India story, and it's one that sure promises a happy ending.

Managing Director and Chief Investment Officer, ASK Raymond James, advises investors to approach financial advisors before buying. "Some stocks may look cheap today but not all of them will meet your expectations," he warns.

Oranges And Apples

Let's first get the facts straight for the lay investor. Index stocks carry different face values and are hence not comparable on the market price parameter. Take, for instance, the stock price of Infosys, Wipro and TCS. The three are not comparable because the face values of the shares are different. TCS at Rs 1,729 is not cheaper than Infosys priced at Rs 3,076 because Infosys shares have a face value of Rs 5 while TCS shares have the lowest face value of Re 1 per share among all IT companies. The Wipro stock has a face value of Rs 2. On the other hand, there are many old economy stocks like ACC and Bajaj Auto that have a face value of Rs 10 per share. In fact, the lower face value of some stocks makes them more affordable. And you should also note that the dividend is always paid on face value.

Another plus today: the demat facility puts all shares within your reach. If you look at it purely from the price angle, you can buy one share of Infosys, the most expensive share in the Sensex at Rs 3,076 or one share of Gujarat Ambuja, the cheapest at Rs 97.

Your Own Index

But before taking the plunge, get your investment strategy in place. In the market, as they say, something that is reasonable and within reach is not necessarily a good buy. "Buy companies in different sectors and buy in a staggered manner," suggests Swaminathan. If you are upset by the fact that buying into systematic investment plans of mutual funds now entails paying entry loads of 1.5-2 per cent every month, then it's time you started your own investing plan. The time is right to create a portfolio of your own in a systematic manner.

Sensex Stars

Why these stocks add value to a portfolio.

- Country's best managed companies with professional management
- Diversified stocks covering all major industries
- Consistent dividend payments and bonus offers
- High liquidity; you can sell when you want
- High level of transparency; information easily available on websites/ newspapers
- Highly researched; every stock broking firm covers them with buy, sell or hold alerts
- Affordability; thanks to demat, you can buy even one share
- High level of institutional interest, from both domestic and foreign funds

Up For Grabs

Ten blue-blooded stocks that the crash has made available at affordable prices and valuations that look more reasonable.

	STOCK PRICE MAY 11, '06*	STOCK PRICE JULY 5, '06*	PRICE EROSION (PER CENT)	P-E (TIMES) ^ FY07 EARNINGS	P-E (TIMES) # FY07 EARNINGS
Hindalco	243	179	36	11.37	8.37
Reliance Energy	613	479	28	19.64	15.35
ONGC	1,457	1,108	31	10.95	8.33
Ranbaxy	493	357	38	41.22	29.84
SBI	986	755	31	7.65	5.86
L&T	2,776	2,268	22	26.54	21.68
ICICI Bank	660	508	30	18.04	13.89
HLL	278	242	15	38.08	33.15
TCS	2,020	1,848	9	26.51	24.25
Bajaj Auto	3,147	2,809	12	23.84	21.28

*Figures in Rs ^ On May 11 prices #On July 5 prices Forward earnings data from Enam Source: BSE, CMIE

Sector-wise

If one looks at Sensex stocks, commodities (under correction mode) and banking (interest rate uncertainty) look a bit unpredictable. "However, engineering stocks may reverse the tide as they are not directly impacted by either oil or interest rates. Growing infrastructure investment will help improve their order books," says Koticha. In the engineering pack, the Sensex has L&T and BHEL, both available at sharp discounts to their May 11 prices. Similarly, software stocks like Infosys, Wipro and TCS are not much impacted by the uncertainty over oil prices and interest rates.

Mouth-watering

10 Biggies To Buy

For long-term players, these are happy hunting grounds, as prime stocks get affordable. Pick the best. ANAND ADHIKARI

HERE ARE SOME statistics—a price-earning (P-E) ratio of around 18, price-to-book value (P-B) ratio of 4, 20 million shares traded every day with a traded value in excess of Rs 1,000 crore, and a collective market capitalisation that is a whopping Rs 12 lakh crore.

That's quite a stunning set of stats. And for investors who are watching the market keenly as it does its Tarzan-like swings from low to high, and who are tracking P-E ratios and reigning market caps on Dalal Street, these figures certainly signify a mouth-watering opportunity.

RAMEN SARKAR

And just what do the figures represent? They are the governing numbers for the basket of 30 stocks that comprise the Sensex, the index of the Bombay Stock Exchange (BSE). Over half-a-dozen Sensex companies are listed on American exchanges and many others have an international presence in terms of exports or overseas acquisitions. What else? Well, for one, since the index is a market cap weighted index, they are the most actively traded stocks in the market and account for about half the BSE's market capitalisation. And for another, they represent about a dozen economic sectors and are the top dogs in their respective industries. Plus, Sensex stocks by definition are the most liquid and safe stocks going.

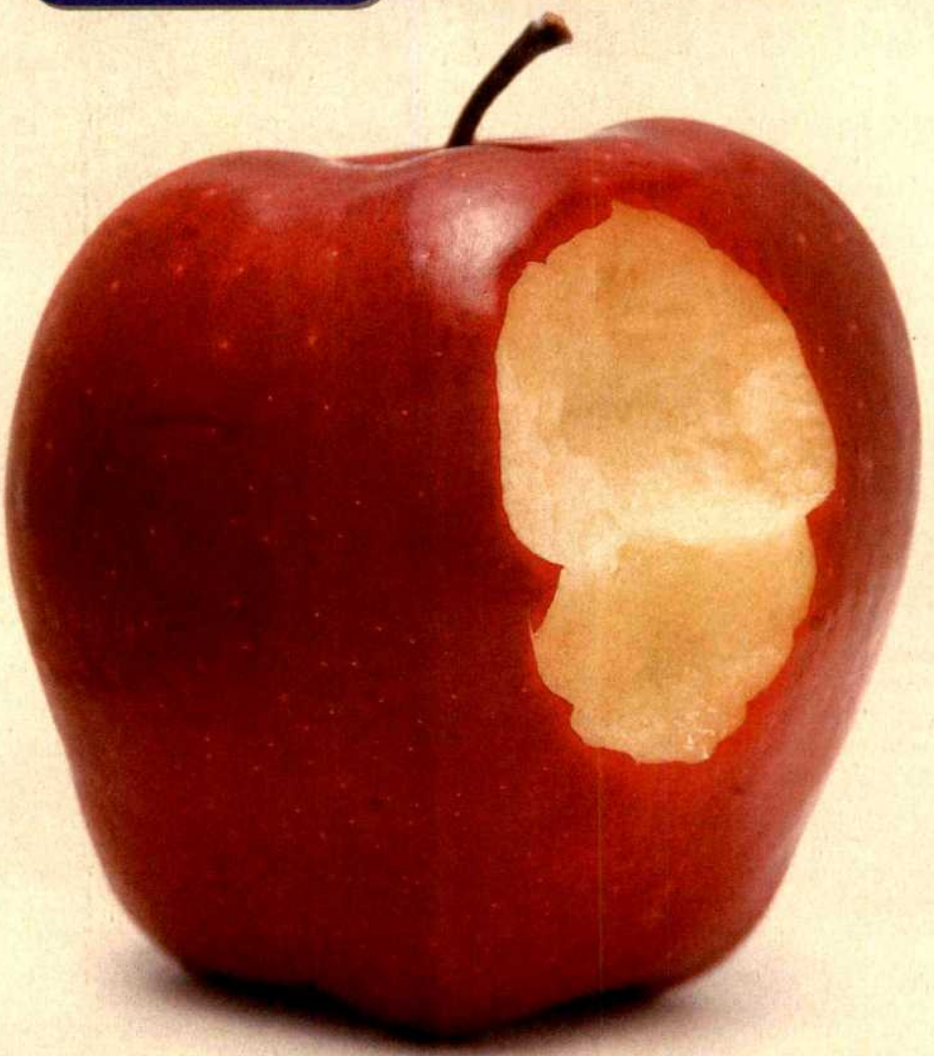
Sensex stocks are chosen scientifically from every industry under the sun, based on daily turnover, market capitalisation, industry segment and other parameters, covering every industry from commodities to banking and telecom and IT. In fact, you don't have to worry about underperformers or fading stars, as the selected 30 are reviewed every quarter, with the ones failing to meet key parameters weeded out (see *New On The Block*).

Window Of Opportunity

If these are such a premium lot, it stands to reason they are also the most expensive stocks going. So, why are we talking about them at all if they are not even affordable? That's because today (July 7) the Sensex is at 10,509 points, that's down 17 per cent from its all-time high of 12,671 points on May 11. At this level, some of these pricey stocks offer the best stock picking bets if you are in a mood for deep-sea-fishing. Aditya Birla Group's Hindalco is down 36 per cent, Anil Ambani's utility major Reliance Energy has seen a 28 per cent erosion in market price while state-owned oil major ONGC has lost 31 per cent since May 11.

If this does not sound like a buying opportunity, we don't know what will. For investors seeking a long-term play immune to short-term volatility, one of the best strategies available would be to buy into these deeply discounted blue-blooded stocks. "The India story is irreversible. It's time to enter into fundamentally good stocks with a two to three year time horizon," says R. Swaminathan, National Head (Mutual Fund), IDBI Capital Market Services. However, play it cautiously. Just being a Sensex stock or quoting at a discount does not make for a buy. Asit Koticha,

bt money



RIPE FOR PICKING

10 prime-time stocks now within your reach

Commodities Trading Primer | **Mutual Funds** Quarterly Report | **Spending** Annual Health Plans

Hospitality's Flag Bearer

VIVAN MEHRA

THERE ARE TWO REASONS WHY investors love Indian Hotels. One, hospitality is, of course, booming like never before. Two, the Tata group company has been the most aggressive of all hospitality players in the country. As promised, it has neatly slotted its hotels into luxury, leisure and business, and has been adding capacities in each of these categories. Over the last two years, it has added 900 rooms, both in India and elsewhere. Last calendar year, it took over the management of The Pierre, a 201-room tony hotel on New York's famed Fifth Avenue. Late last year too, it acquired another landmark hotel in Sydney, the W. Says Raymond Bickson, Indian Hotels' Hawaii-born Managing Director: "We look at local conditions but conduct business in a global fashion."

Record growth in travel last year translated into an average occupancy rate of 70 per cent and an average room rate at Rs 7,187. Result: The cash register at Indian Hotels was ringing loud and clear. Consolidated revenues were up 40 per cent at Rs 1,914 crore during 2005-06 and net profits, a whopping 94 per cent at Rs 249 crore.

Over 2007 and 2008, Indian Hotels plans to add another 23 hotels, or 2030 rooms, to its portfolio. Some of the properties will include the Indian Hotels-owned Taj ITPL in Bangalore (200 rooms) and Ginger (earlier called IndiOne), spread over Bhubaneshwar, Pune, and Pondicherry, among others. By March 2008, Ginger is expected to offer 950 rooms. "I have been fortunate to have worked in India," says Bickson, referring to the exciting times his industry is in. His shareholders must be feeling fortunate.

KRISHNA GOPALAN

COMPANY:
THE INDIAN HOTELS CO. LTD

NAME:
RAYMOND N. BICKSON
Managing Director

INDUSTRY:
Hospitality

MOST INVESTOR-FRIENDLY MOVE:
Taking over the management of The Pierre in New York

SHARE PRICE AS ON JULY 6, 2006:
Rs 1,176.20

SHARE PRICE AS ON JULY 3, 2003:
Rs 262.30

Source: CMIE; adjusted stock price

THE METHODOLOGY

Screening

Companies listed on the BSE and the NSE, with a market cap of over Rs 250 crore as on March 31, 2006, were selected. This shortlist comprised 548 companies. This list was further refined to include only those companies that outperformed the BT 50 during the last three years, cumulatively as well as on a year-on-year basis. This is to make sure that only companies giving consistent returns are selected. Only 124 companies cleared this level.

There are seven parameters on the basis of which the final list was drawn up:

Return to investors: 25 marks. This is measured by the share price (adjusted for right/bonus, etc.) appreciation for the last three years. Companies that have given more than 1,000 per cent return (total and not annualised) got the full 25 marks. Else, they were scored on a proportional basis (applicable to other parameters as well).

Concern of managements for investors: 75 marks. This is further divided into five subheads and each of them carries 15 marks.

-Regular dividend distribution: Companies with more than a 100-per cent average dividend payout (last three years) got the full 15 marks, while the ones below 10 per cent didn't get any. Else, they were scored on a proportional basis.

-Declaring shareholder information on time (the lag between the quarter-end and the declaration date): Companies where the average gap (for the last four quarters) is less than 10 days got the full 15 marks. And the ones where the gap is more than 25 days got no marks. For those in the 10-25 day bracket, marks were allocated on a proportional basis.

-Number of investor complaints: Big companies with large shareholder bases will obviously have more absolute complaints. So, what we have considered is the average investor complaints (for the last four quarters) with the public holding (in Rs crore). Companies for whom the average investor complaints are more than 1 per Rs crore of public holding, did not get any marks.

-Conducting the AGM on time: Companies that have conducted the AGM within 60 days of their year-end got the full 15 marks. Those that have waited for more than 180 days get no marks. For in between companies, marks were allocated on proportional basis.

-Declaring quarterly results on time: Companies that took less than 15 days over the last four quarters to declare results got the full 15 marks. Those that took more than 30 days got nothing.

And finally the sanity test: Companies that scored no marks on any of the above parameters were eliminated, and only companies with a minimum average daily turnover of Rs 1 crore (on BSE+NSE) were considered. ■

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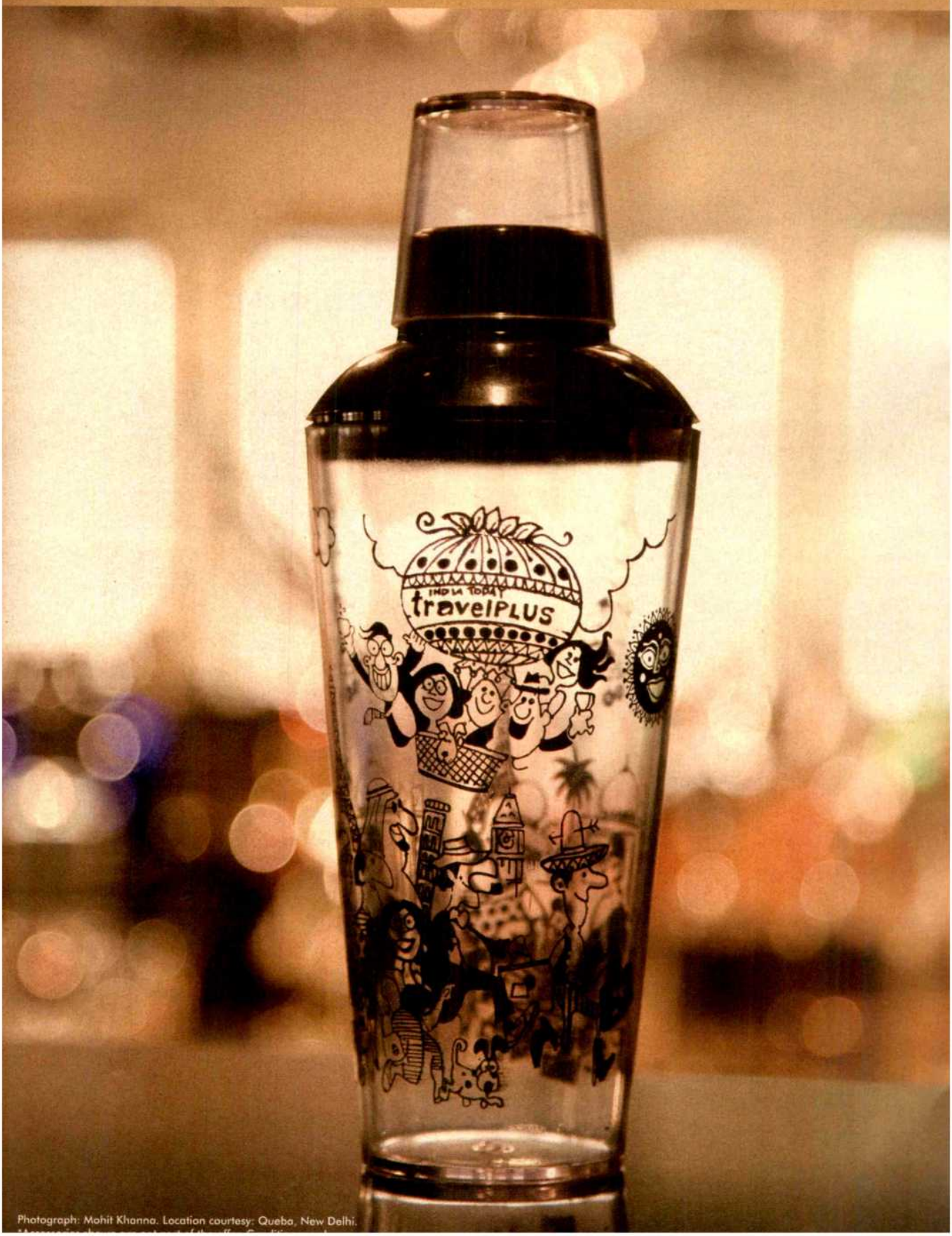
HERE'S A HIGH THA



Photograph: Mohit Khanna. Location courtesy: Queba, New Delhi.

Firing On All Four

COMPANY:
BAJAJ AUTO

NAME:
RAJIV BAJAJ
Managing Director

INDUSTRY:
Automotive

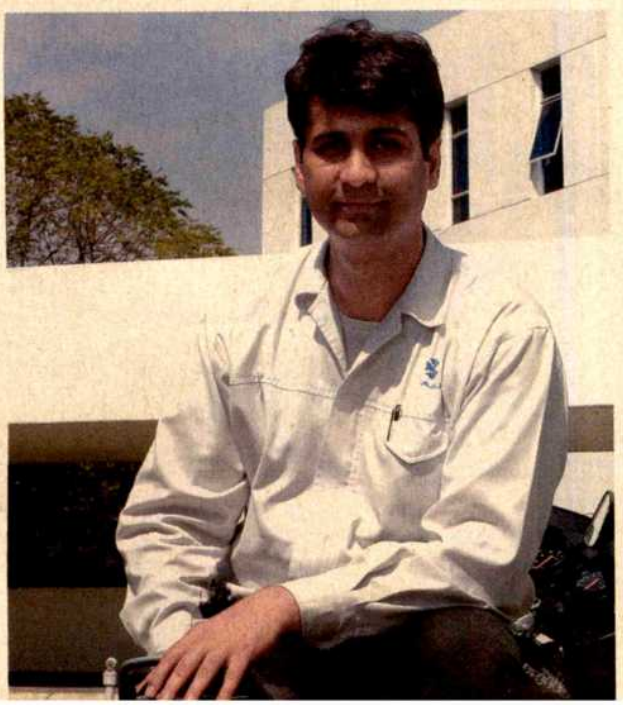
MOST INVESTOR-FRIENDLY MOVE:
Better utilistion of cash reserves

SHARE PRICE AS ON JULY 6, 2006:
Rs 2,770.40
SHARE PRICE AS ON JULY 3, 2003:
Rs 553.25
Source: CMIE; adjusted stock price

INVESTORS LOOKING FOR reasons to continue their love affair with India's iconic two-wheeler company, were delivered several when the company announced its results for 2005-06 on May 19. Compared to industry growth of 19 per cent, Bajaj Auto's motorcycle sales surged 32 per cent to 19.1 lakh units; revenues jumped 28 per cent to Rs 8,106 crore and net profits soared 47 per cent to Rs 1,123.30 crore. A happy board approved a 400 per cent dividend for shareholders, compared to 250 per cent the previous year.

Investors know who to thank for Bajaj's stellar performance: The young Bajaj brothers, Managing Director Rajiv and Executive Director Sanjiv. While Rajiv has been responsible for the slew of new motorcycles launches at Bajaj, Sanjiv has brought in greater financial discipline. Before Sanjiv took over the finance function, the company was pretty bad at utilising its huge cash reserves. But these days, treasury is a big money-spinner. Last year, it earned Rs 416.80 crore, up from Rs 383.20 the year before. Sanjiv has also led Bajaj into insurance (with Allianz), and in just five years, made it India's largest life insurer in terms of gross premium income. Just the sort of thing investors love.

KUSHAN MITRA



UMESH GOSWAMI

Contrarian Moves

COMPANY:
SHREE CEMENT LIMITED

NAME:
H.M. BANGUR
Managing Director

INDUSTRY:
Cement

MOST INVESTOR-FRIENDLY MOVE:
Ending cross-holdings, bringing debt-equity ratio under 1

SHARE PRICE AS ON JULY 6, 2006:
Rs 775.85
SHARE PRICE AS ON JULY 3, 2003:
Rs 80.30
Source:CMIE; adjusted stock price

THE COVER page of Shree Cement's 2001-02 annual report read: "Shree Cement's profit after tax dropped 94.38 per cent. The management is delighted. Why?" That was the Shree Cement shareholder's first brush with an unusual, but clever, tax-saving tactic that the Kolkata-based company has since been using to good effect. "We were fortunate to have an intelligent group of shareholders, who did not look at immediate gains," says H.M. Bangur, reflecting on the risky move. Tax planning continues to remain a key part of financial management at Shree. Consider: In 2005-06, it reported a 15 per cent jump in net sales to Rs 667.69 crore over the previous year, but the net profits were down 37 per cent because the firm chose to charge against P&L all pre-operative expenses relating to new projects. Add the charge of Rs 21.23 crore back to the net profit, and the bottom line should have been Rs 39.63 crore—a 36 per cent jump. Shree now plans to increase capacity to 20 million tonne by 2015 and that too without increasing the capital. "Whatever we do, we will treat our investors as partners and not as mere shareholders," promises Bangur.

RITWIK MUKHERJEE

G. KRISHNASWAMY

Building Efficiencies

COMPANY:
HIND. CONSTRUCTION CO.

NAME:
AJIT GULABCHAND
Chairman & Managing Director

INDUSTRY:
Construction

MOST INVESTOR-FRIENDLY MOVE:
Foray into real estate and construction abroad

SHARE PRICE AS ON JULY 6, 2006:
Rs 104.85
SHARE PRICE AS ON JULY 3, 2003:
Rs 8.21
Source: CMIE; adjusted stock price

THANKS TO THE boom in the country's infrastructure and real estate industries, growth hasn't been an issue for Hindustan Construction Company (HCC). But maintaining profit margins has been. One of India's fastest-growing construction companies, HCC saw its 2005-06 operating profit margins drop to 9.5 per cent from 10.8 per cent the previous year. Ajit Gulabchand, HCC's Chairman and MD, blames it on the rush of new players in a booming market, but says that things are improving. "With some players leaving the industry, the bids are now 10-15 per cent above the estimated cost of a project, and that'll help improve margins."

Just the same, HCC, which has an order book of Rs 9,600 crore, is focussing on boosting growth and return on investment by bringing about greater construction efficiencies. It is also derisking business by scouting for opportunities outside the country, and Gulabchand reckons that in another three years, international operations will fetch a fifth of the company's revenues. "The intention is to become a global player," he says. That apart, Gulabchand is increasing the thrust on real estate development.

MAHESH NAYAK

Oil's Sweetspot

COMPANY:
ABAN LOYD CHILES OFFSHORE

NAME:
C.P. GOPALAKRISHNAN
Director (Finance) and Co. Secy

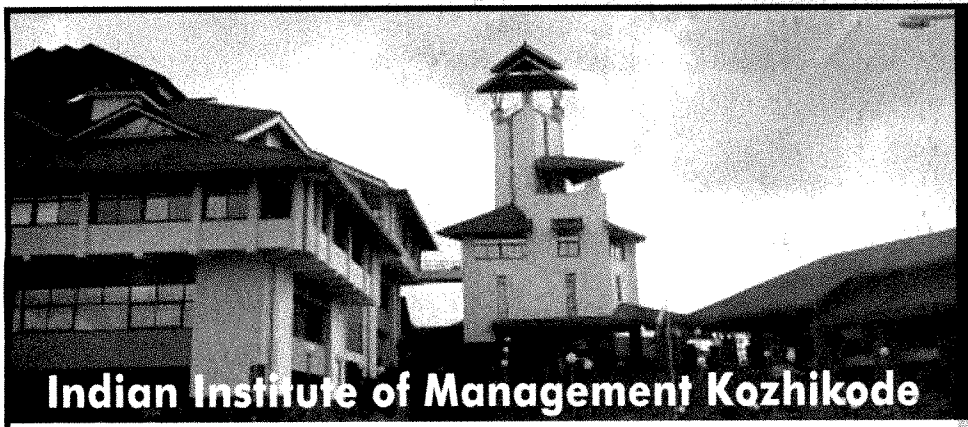
INDUSTRY:
Oil & Gas

MOST INVESTOR-FRIENDLY MOVE:
Acquisition of a stake in Norwegian driller, Sinvest

SHARE PRICE AS ON JULY 6, 2006:
Rs 972.45
SHARE PRICE AS ON JULY 3, 2003:
Rs 59.24
Source: CMIE; adjusted stock price

OF THE TOP 10 companies on our list last year, Aban Loyd Chiles Offshore is the only one to reappear this year. Clearly, there's something that Aban does right. What is it? "The company has the virtue of being in the right industry with the right business model," points out Jigar Shah, an oil & gas analyst at KRChoksey, a large Mumbai-based broking house. Aban, which recently also featured on our Fastest Growing Companies list, provides drilling rigs for oil exploration, and with the sector booming, it has been on a roll too. A consistent dividend payer, Aban has seen its topline grow from Rs 210 crore in 2001-02 to Rs 505 crore last year. Profit before tax has shot up from Rs 16 crore to Rs 152 crore in that time. Predictably, Dalal Street is in love with the stock. Back in March 2002, the stock was quoting at Rs 70.55, but by March this year, it was at Rs 1,100—and this after a 1:5 stock split in May 2005. Aban, it seems, has no intentions of slowing down. Its Singapore subsidiary recently acquired a 33.76 per cent stake in a Norwegian oil drilling company Sinvest, which, analysts say, should add to the Indian driller's bottom line.

NITYA VARADARAJAN



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The programmes for the year 2006-2007		
Finance for Non-Finance Executives	Sept. 11 – 13	2006
Derivatives for Managing Risks	Sept. 25 – 27	2006
Marketing Communications Planning	Oct. 23 – 25	2006
Strategies for 21st Century Manufacturing	Oct. 26 – 28	2006
Analysis of Financial Statements	Oct. 30 – Nov. 01	2006
Customer Retention & Loyalty Management	Nov. 01 – 03	2006
Environmental & Social Marketing	Nov. 13 – 15	2006
Rural Marketing	Dec. 04 – 06	2006
Project Management	Dec. 14 – 16	2006
Systems Dynamics: A New tool for Decision Making	Dec. 28 – 30	2006
Trends in Maintenance Management	Jan. 04 – 06	2007
Business Intelligence	Jan. 18 – 20	2007
Competitive Intelligence	Jan. 22 – 24	2007
Information Technology Strategy	Jan. 29 – 31	2007
International Programme on Becoming & Being Leaders	Feb 14 – 17	2007
Six Sigma	Feb. 15 – 17	2007
Strategy Implementation	Feb. 22 – 24	2007
Advanced Data Analysis for Marketing Decisions	Feb. 26 – 28	2007
Soft Computing for Managerial Decision Making	Feb. 26 – 28	2007
Creativity for Competitive Advantage	April 04 – 06	2007

The Institute also offers Faculty Development Programmes for the faculty from Management Education Institutions in India. The following programmes are scheduled during July 2006 to April 2007:

Advances in Operations, Quality and Supply Chain Management	Aug. 21 – 26	2006
Foundations in Strategy	Aug. 28 – Sept. 2	2006
Advances in Marketing	Oct. 16 – 21	2006
International Workshop on Case Teaching & Case Writing	Nov. 06 – 11	2006
UNESCO-IIMK International Workshop on Green Stone	Nov. 27 – Dec. 02	2006
IIMK-VUW joint FDP on Research Methods for Management	Jan. 08 – 13	2007
Nuances of Strategy Implementation	Feb. 05 – 10	2007
Induction Training Programme for Young Teachers	Mar. 12 – 30	2007
Workshop on Organization & Management Theory	April 16 – 21	2007
Advances in Systems	April 23 – 28	2007

Details can be obtained from the Institute website http://www.iimk.ac.in/fdpcalendar2006.htm

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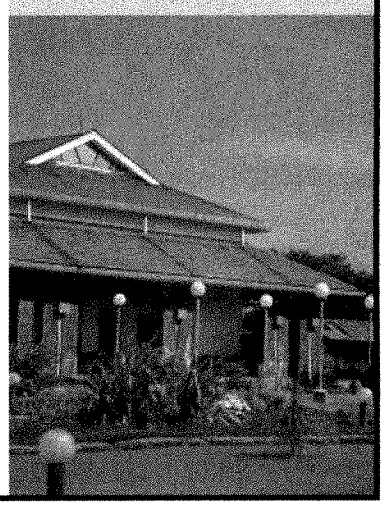
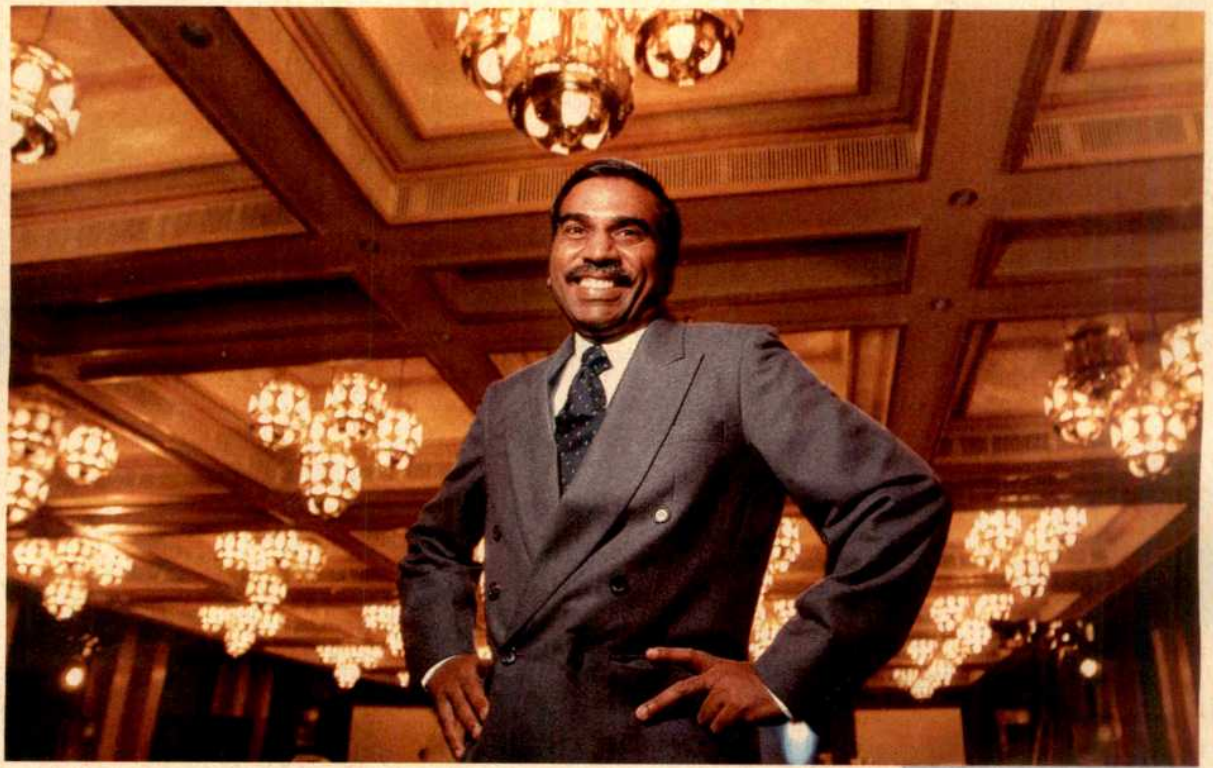


The Quiet Performer



VIVAN MEHRA

HERE'S A STUNNING FACTOID about Carborundum Universal, or CUMI: Since 1958, the third year of its inception, the Murugappa group company hasn't skipped dividends a single year. Through good and bad, it has consistently paid out to its shareholders, and for the last 10 years, the dividends have averaged 36 per cent of profits after tax. As on March 31 this year, the abrasives manufacturer's paid-up capital was Rs 18.67 crore, of which Rs 16.57 crore (or 89 per cent) is due to issue of bonus shares. There have been six bonus issues in the company's history and the latest, in 2005, doubled the capital base from Rs 9.30 crore. By the way, CUMI also paid a special 80 per cent dividend on top of a standard dividend of 100 per cent. The special dividend was meant to distribute profits from sale of holdings in group companies. Says Chairman M.M. Murugappan: "We make clear, factual and balanced statements about our business, and that's important if we are to be investor friendly."

No doubt that's something investors like about the company, but the bigger lure must be the fact that CUMI is the market leader in abrasives and it has aggressive growth plans. For instance, the company's stated goal is to "achieve global leadership in delivering solutions in the areas of abrasives and ceramics by 2020". (At present, exports account for just a tenth of its total sales.) Achieving that goal involves investing in state-of-the-art production plants, one of which is coming up near Chennai. Then, Murugappan plans a slew of moves aimed at expansion: strategic alliances, joint ventures, acquisitions, setting up of low-cost production units outside of India, and investment in next generation products that use nano technology. "We don't say much, but we do what we say," quips Murugappan. Given that CUMI's market cap is up from Rs 103 crore in March 2000 to Rs 1,250 crore on July 6, 2006, investors believe what Murugappan says.

NITYA VARADARAJAN

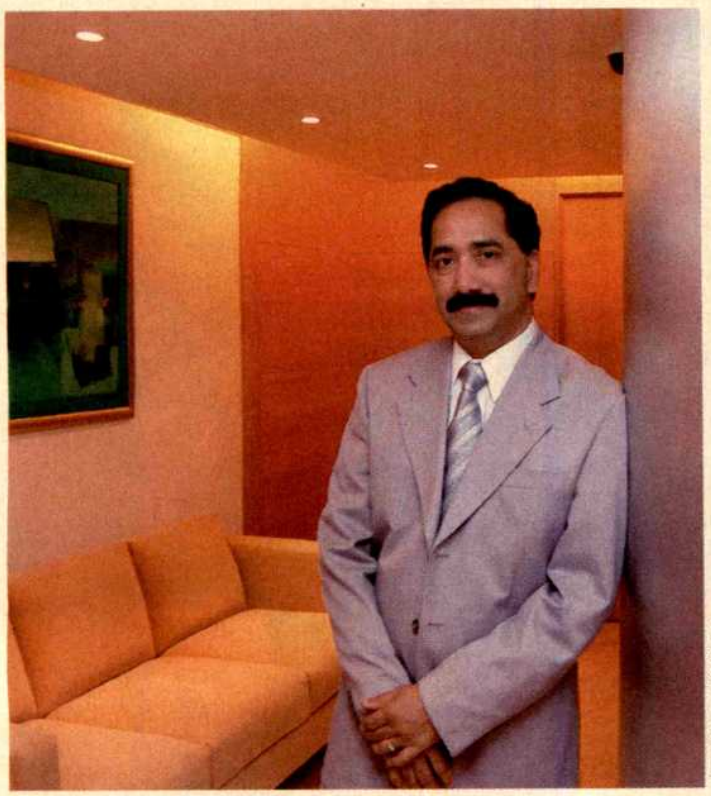
COMPANY:
CARBORUNDUM UNIVERSAL

NAME:
M.M. MURUGAPPAN
Chairman

INDUSTRY:
Abrasives, ceramics and electrominerals

MOST INVESTOR-FRIENDLY MOVE:
A 1:1 bonus issue in 2005

SHARE PRICE AS ON JULY 6, 2006:
Rs 129.20
SHARE PRICE AS ON JULY 3, 2003:
Rs 17.80
Source: CMIE; adjusted stock price



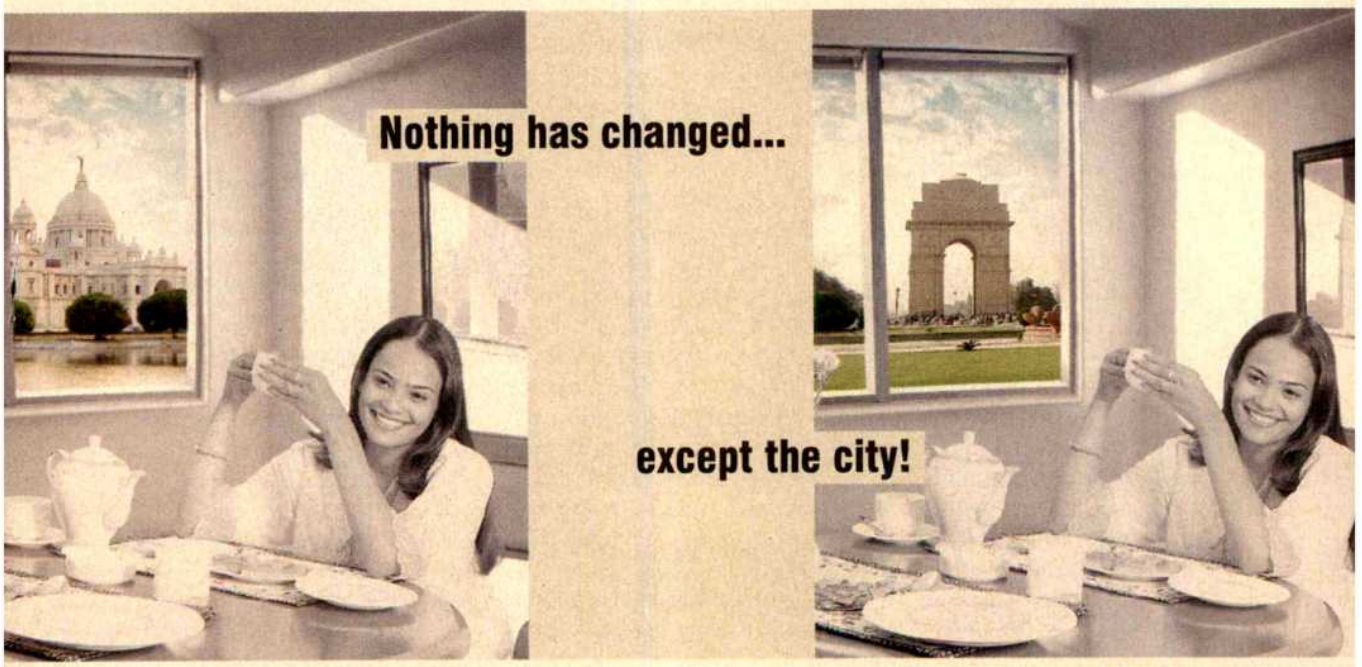
G. KRISHNASWAMY

will quicken further.

Typically, generic drugs have a small window of opportunity because prices fall rapidly as more competitors enter the fray. In Orchid's case, though, profit margins would be better protected because—at least in the cephalosporin segment—no new capital expenditure is required. Another important development for investors is that more and more of Orchid's revenues is coming from "regulated" markets such as North America, where competition is tougher, but margins better. In fact, in a conference call with analysts earlier this year, Rao said that he expected growth to be robust over the next three years.

It's quite possible that Orchid gathers momentum. Its joint ventures are also doing well and, in fact, the Chinese JV became profitable in the second year of its operation. Like other stocks, Orchid is down from its high (of Rs 399) end of April 2006. But if Rao has it his way, then it may start climbing back to those levels.

NITYA VARADARAJAN



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Small But Spectacular

IT'S NOT THE BIGGEST AUTOMOTIVE gear manufacturer (Bharat Gears is), it doesn't manufacture out of industry hotspots such as Chennai, Pune or Haryana (Coimbatore has been its home for nearly four decades now), and it is so media shy that its founder-Chairman and Managing Director, P. Subramanian, has almost never been photographed by any publication (That explains why his is the only CEO picture missing in this listing). Yet, shareholders and analysts remain steadfast in their admiration for this company. Why? Apart from the 100 per cent dividend that it paid out last year, Shanthi Gears has been clocking solid growth year on year. In 2004-05, its revenues were Rs 138.54 crore and net profits Rs 19.12 crore. Last year, the numbers were up to Rs 184.25 crore and Rs 28.05 crore, respectively—that's a 33 per cent growth in sales and 47 per cent jump in profits. One reason why it has been able to keep its growth engine humming is its quick diversification from a producer of a few types of small gears to a well-respected manufacturer of not just gears, but geared motors and CNC machine tools.

With the auto components market sprinting ahead at 20-25 per cent annually, analysts believe that Shanthi Gears' growth story may have just begun. "Shanthi Gears has a strong and diverse product base and it is showing strong signs of growth. Its gross profit margins (around 33 per cent) are among the highest in the industry and this bodes well for shareholders," says Huzaifa Suratwala, a research analyst with Emkay Share and Stock Brokers. According to him, the company's recent $70-million (Rs 322-crore) foreign currency convertible bond (FCCB) issue also helped boost Shanthi Gears' profile in the global market, besides increasing liquidity in the stock. A higher profile may be just what the company needs as it goes after the lucrative but difficult West European market.

RAHUL SACHITANAND

COMPANY:
SHANTHI GEARS

NAME:
P. SUBRAMANIAN
Chairman & MD

INDUSTRY:
Auto ancillaries

MOST INVESTOR-FRIENDLY MOVE:
A 1:1 bonus in 2004-05

SHARE PRICE AS ON JULY 6, 2006:
Rs 66.40

SHARE PRICE AS ON JULY 3, 2003:
Rs 6.04

Source: CMIE; adjusted stock price

A Full Pipeline To Tap

OVER THE LAST FIVE YEARS, K. Raghavendra Rao and his A-team have hit the road eight times, showcasing their drug company to global investors. The curious thing is, the roadshows weren't always aimed at raising money. Instead, they were just meant to "tell fund managers and other investors that it is good to stay invested in Orchid", says the 47-year-old founder and Managing Director. That's not all lip service. Orchid, which is a major manufacturer of cephalosporin bulk drugs and formulations, has consistently rewarded its shareholders with dividends. In fact, even when its chips were down—like in 2000-01, when it reported Rs 6.30 crore in profits on sales of Rs 425 crore—dividends have always come to investors. "We felt that just because of one bad year, we should not penalise shareholders," explains Rao.

As it turned out, the following years were vastly better, and last year's results (Rs 900 crore in revenues and Rs 83 crore in net profit) so enthused the board that it approved a 1:2 bonus and a 30 per cent dividend. (Promoters hold 20 per cent in the company). Rao says the years to come will be even better. With the required investment already on ground, "our speed has increased by 200 per cent", claims Rao. The company has a strong pipeline of 30 generic drugs, 19 of which have been filed for US Food and Drug Administration approval. Until recently, Orchid had been getting one approval a month, but now the rate has quickened to two a month and Rao says the pace

COMPANY:
ORCHID CHEM. & PHARMA

NAME:
K. RAGHAVENDRA RAO
Managing Director

INDUSTRY:
Pharmaceuticals

MOST INVESTOR-FRIENDLY MOVE:
A 1:2 bonus last financial year

SHARE PRICE AS ON JULY 6, 2006:
Rs 199.85

SHARE PRICE AS ON JULY 3, 2003:
Rs 118.90

Source: CMIE; adjusted stock price

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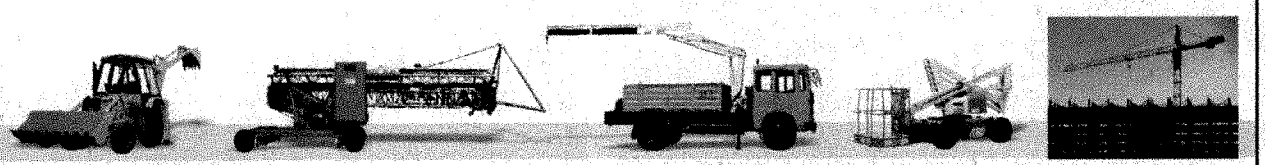

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Reaping Fruits Of Restructuring

G. KRISHNASWAMY

WHAT'S BETTER? MORE OR LESS? In the case of E.I.D Parry, less was definitely better. Until three years ago, E.I.D was an unwieldy company, with interests in three unrelated businesses: sugar, fertilisers and ceramics. While that, in theory, may have helped E.I.D better survive industry cycles, it left investors terribly confused. "Were we a fertiliser company, a sugar manufacturer, or ceramics maker? They did not want to invest unless they knew for sure where the money went," recalls A. Vellayan, Vice Chairman.

Define E.I.D is just what Vellayan did. Out went fertilisers and ceramics, leaving the company sharply focussed on sugar. The results were stunning: Before the restructuring in 2000-01, gross income was Rs 1,364 crore and PAT (profit after tax), Rs 44.64 crore. By 2003-04, when the impact of the overhaul was beginning to make itself felt, the topline dropped to Rs 641 crore, but the net profit remained strong at Rs 43.23 crore. The following year, E.I.D's revenues jumped to Rs 819 crore, but PAT rose faster at Rs 104 crore. And last year, the company logged Rs 1,030 crore in revenues and Rs 116 crore in net profit. What helped? Apparently, good management. Managing Director P. Rama Babu pushed E.I.D into sugar with a vengeance, and proved to investors that restructuring was the right thing to do. "I had written a book on sugar in the early 1990s that speaks of our performance today," he says, not to boast, but to indicate his great confidence in the industry. Further moves, such as backward integration into ethanol and cogeneration, will boost E.I.D's income.

NITYA VARADARAJAN

COMPANY:
E.I.D PARRY

NAME:
A. VELLAYAN
Vice Chairman

INDUSTRY:
Sugar

MOST INVESTOR-FRIENDLY MOVE:
Demerging fertilisers business

SHARE PRICE AS ON JULY 6, 2006 :
Rs 196.55
SHARE PRICE AS ON JULY 3, 2003:
Rs 25.34
Source: CMIE; adjusted stock price

Picking Up Speed

LAST YEAR, THE INDIAN GOVERNMENT introduced tougher emission and noise-level norms for generating sets. Far from complaining, Pune-based Kirloskar Oil Engines Ltd (KOEL) moved deeper into the market to make a killing. As one of India's oldest manufacturers of engines, generating sets and engine bearings, KOEL doesn't just have a leading share of the market, but also a technological edge. Therefore, while its smaller competitors went back to the drawing board to develop compliant products, KOEL used the lead to increase its sales, both in India and regulated markets outside. Result: Overall sales jumped 21 per cent to Rs 1,395 crore and profit before tax 46 per cent to Rs 148 crore. For the first time, too, engine sales topped Rs 1,000 crore and exports, Rs 100 crore. Despite a 1:5 split at Rs 397.50 (that is, Rs 79.50 a share) on March 31 last year, the KOEL stock has jumped to Rs 183.75.

Atul C. Kirloskar, the company's Chairman and Managing Director, says last year's gains were a result of the steps taken over the recent years. For instance, in 2000, the company moved accounting, purchase and sales to its ERP system, making the processes not just faster, but more transparent. "Making of the monthly and quarterly reports became easier, the auditing was easy," says Kirloskar, 50. For the last few years, the board has approved company accounts on 19th day from close of the financial year, and shareholders have been delivered copies of the annual report in less than three months from year-close. The stock market seems confident of KOEL's future, not the least because booming profits have pushed earnings per share 17 per cent to Rs 21. No wonder, KOEL tops our list.

KUSHAN MITRA

COMPANY:
KIRLOSKAR OIL ENGINES

NAME:
ATUL C. KIRLOSKAR
Chairman & Managing Director

INDUSTRY:
Engineering (diesel engines and engine components)

MOST INVESTOR-FRIENDLY MOVE:
A 1:5 stock split last year

SHARE PRICE AS ON JULY 6, 2006 :
Rs 183.75
SHARE PRICE AS ON JULY 3, 2003:
Rs 26.12

Source: CMIE; adjusted stock price

THE INVESTOR-FRIENDLY ONES

COMPANY NAME	RETURNS (25 POINTS)	DIVIDEND (15 POINTS)	SHAREHOLDING (15 POINTS)	INVESTORS (15 POINTS)	AGM (15 POINTS)	Q-RESULTS (15 POINTS)	TOTAL (100 POINTS)
Kirloskar Oil Engines	25	15	15	15	9	2	**81**
E.I.D Parry (India)	25	15	13	15	8	3	**79**
Shanthi Gears	25	11	10	15	9	7	**76**
Orchid Chems.& Pharmaceuticals	21	4	15	14	15	6	**76**
Carborundum Universal	25	15	12	15	8	1	**76**
Hindustan Construction Company	25	8	12	15	14	1	**75**
Aban Loyd Chiles Offshore	25	15	10	14	3	4	**72**
Bajaj Auto	12	15	14	15	9	8	**72**
Shree Cement	25	5	15	15	7	2	**68**
The Indian Hotels Company	16	15	14	15	6	1	**68**
Havell's India	25	6	10	15	11	1	**67**
Praj Industries	25	7	8	15	8	4	**67**
Rajesh Exports	25	12	8	15	6	1	**66**
Century Textiles & Industry	24	3	14	15	10	1	**66**
Varun Shipping Company	21	3	12	10	13	1	**61**
Kotak Mahindra Bank	20	1	15	14	8	1	**59**
Sun Pharmaceutical Industries	14	12	13	14	2	2	**57**
Oudh Sugar Mills	25	1	15	4	8	3	**56**
Vesuvius India	10	4	13	15	9	3	**54**

*Figures in Rs crore; Q-Results: Quarterly Results

INDIA'S MOST INVESTOR FRIENDLY COMPANIES

THEY ARE NEITHER THE BIGGEST NOR THE SAVVIEST OF COMPANIES BUT ALL OF THEM KNOW ONE THING: HOW TO KEEP THEIR HEADS DOWN AND CRANK UP SHAREHOLDER VALUE.

ASK ANY CEO, AND SHE WILL TELL YOU THAT creating shareholder wealth is anything but easy. You have to be in the right industry, have the right strategies, and the right people to execute those strategies. Even then, there's no guarantee that you'll make your next quarter numbers, or that investors will be pleased enough to demand more of your company's shares. If your customer isn't trying to stiff you, then there's a competitor waiting to undercut you. One way or another, someone's trying to eat your lunch. Then, someone like *Business Today* comes into the picture and raises the bar farther. To be considered truly investor-friendly, it says, it is not enough if you've outperformed your peer group. You must outperform the BT 50 for not one or two, but three years in a row, disclose shareholder information on time, declare quarterly results on time, and hold the AGM on time, too. That's why, there's no other measure of investor-friendliness like BT's Most Investor-friendly Companies survey. That's also why not too many companies manage to stay on our listing year after year. In fact, our third annual listing has just one name from the previous year.

But which are these companies that have managed to meet our tough criteria (see *The Methodology on* page 108) and be crowned the 10 most investor-friendly companies? What industries do they belong to, and are they big or small? The answer to the first question is offered on the pages that follow. As for the second question, the diversity among our top 10 surprised even us. At the top of the chart is a Pune-based company that makes engines, followed by a sugar company that went through a massive restructuring to emerge stronger. Among the others are those that make two-wheelers and three-wheelers, sell cement, make abrasives and ceramics, play host, and even rent oil rigs. Our top 10 companies, only one of which is a Sensex stock, have nothing in common, except the fact that they try to do their best to stay focussed on one thing: Shareholder value. Like dream stocks, they have been growing in value (at least for the last three years), paying dividend like EMIs, and offering bonus shares.

Here's a secret we hate telling you, but must: You don't have to be a media-savvy company to be an investor darling. One of our top 10 companies stubbornly refused to either comment or let its CEO be photographed, stating that it had decided to maintain media silence for one year. So, the good thing about our survey is this: As long as you make obscene amounts of money for your shareholders, we'll do our bit to let the world at large know about your good work.

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INDIA'S MOST INVESTOR FRIENDLY COMPANIES

PRESENTING OUR THIRD ANNUAL SURVEY OF COMPANIES THAT TOP IN REWARDING THEIR SHAREHOLDERS.

KIRLOSKAR OIL ENGINES
E.I.D-PARRY (INDIA)
SHANTHI GEARS
ORCHID CHEMICALS & PHARMACEUTICALS
CARBORUNDUM UNIVERSAL
HINDUSTAN CONSTRUCTION CO.
ABAN LOYD CHILES OFFSHORE
BAJAJ AUTO
SHREE CEMENT
INDIAN HOTELS CO.

and we are here to talk to them and show them how we can help. That happened in Europe as well. We went into Europe where we were seen as complete outsiders. Now, we have very good relationships with operators. They start to understand when you show them the facts that our business model is very healthy for them. If you look at growth rates, 3G CDMA is growing at about 30 per cent while the handset industry is growing at 10 per cent.

Hutchison's 3G model appears to be working. What has the company done right?

Hutchison is known worldwide as a WCDMA operator. It is at the vanguard of changing the mindset from selling voice to selling multimedia. In fact, Hutch in Italy looks at itself more as a publisher than a wireless operator. It is thinking about how to do more entertainment, how to get multimedia on the phone, how to launch TV services on the phone and things like that. Hutch in the UK took the WCDMA improved voice capacity and went for the GSM operators with larger bundles of voice minutes and attacked the pricing of the model. Hence, the GSM operators who had not gone the WCDMA way had to do that eventually.

Qualcomm + Windows

Will it be the Wintel duopoly of the 2000s?

ONE IS A TELECOMMUNICATIONS TECHNOLOGY COMPANY THAT: HOLDS THE KEYS (OR AT least most of them) to 3G and 4G (third generation and fourth generation) mobile networks and mobile phones; isn't liked by too many people in its industry; and is being investigated for possible 'monopolistic' tendencies. The other is a software firm that: is the leader in its industry; isn't liked almost universally; and which has been, and continues to be pulled up for its 'monopolistic' tendencies. In some ways then, Qualcomm and Microsoft (for these are the companies in question) are not dissimilar. Nor are the companies strangers to each other although a joint-effort to create a mobile enterprise e-mail offering didn't result in anything of note.

In May this year, the two companies agreed to collaborate, a process that essentially means the coming together of the Windows Operating System and the WCDMA platform. Microsoft would dearly love to own the heart of the mobile phone (as indeed, it does the heart of the PC), something it has been prevented from doing so by handset makers like Nokia, Ericsson, Panasonic, Siemens, Samsung, Sony Ericsson and Motorola (through Symbian whose eponymous operating system or OS is used in most mobile phones). And Qualcomm would love nothing more than to have a serious convergence play, essentially networks that can handle computing, entertainment and communication, all at once. Will the new alliance help both causes? It is too early to tell. And it could well depend on the future of the Wintel duopoly (Intel has mobile and broadband architecture plans of its own, especially through its Wi-Max play) and Qualcomm's own ambitions of becoming a software player of some power as evident in its strategy with its open development environment BREW.

About four years ago, you came pretty close to picking up a stake in Reliance Infocomm. That deal never went through. Today, would you look at investing in an operator?

We had an infrastructure business in the beginning and as a part of that, we had to do vendor financing, which is how we landed up with investments in operators. Since we were a new entrant then, some of those investments were not necessarily the best. Our shareholders were giving us a very tough time and telling us not to invest in operators. We had an awful lot of pressure from our shareholders. Today, picking up stakes is certainly not our preferred method of working with operators. We are doing things where there are new opportunities. For example, in the US, we have a TV technology called MediaFlo where we actually purchase spectrum. That is a subsidiary of Qualcomm that will eventually get spun off. We have announced an $800-million (Rs 3,680-crore) investment into that until break-even. ■

Two Companies or One?

It's open season on Qualcomm in Europe.

WITH A FULL-FLEDGED INVESTIGATION BY THE EUROPEAN UNION'S COMPETITION Commission increasingly looking like a matter of when and not if, Qualcomm's business model, once feted for its resilience, is under sharp scrutiny. The company's model is built around two revenue streams: one, royalty or patent licences on CDMA and WCDMA (the second is actually built around the first, and developed not by Qualcomm, but NTT DoCoMo); and two, revenues from the sale of chipsets that lie at the core of handsets and networks (that use CDMA or WCDMA). Much like Microsoft was hauled up for bundling its operating system and applications or utilities, Qualcomm is being accused of trying to parlay its presence in both areas into a 'monopolistic' advantage. When an investigation is launched, in a worst-case scenario, Qualcomm may have to be broken up into two. The surprising thing is, the company's R&D is top-notch, and its patents will likely attract customers wishing to licence them; and its chipsets are far superior to the competiton's. Ergo, a break-up, if it happens, won't hurt much.

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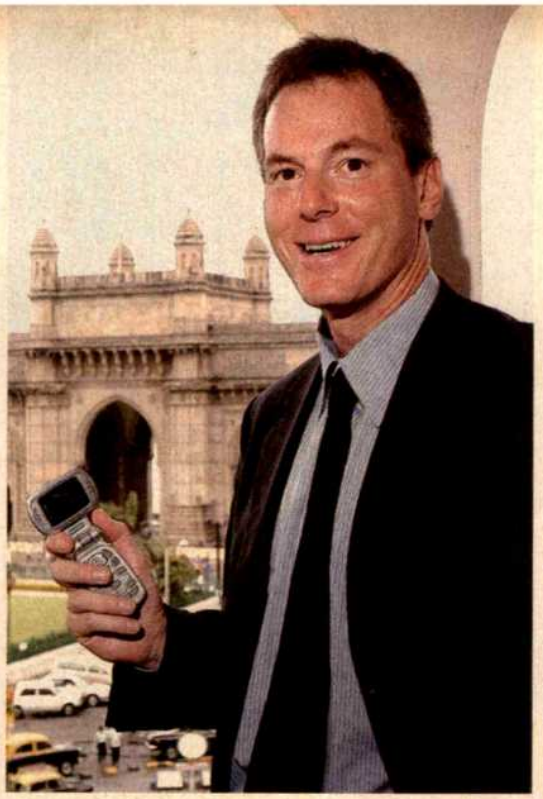


"The whole world is moving to CDMA"

every market segment.

But when a company like Nokia says the CDMA market has changed (and that it is exiting the business of making CDMA phones altogether) what does it imply?
Nokia enjoys an 80 per cent market share in GSM (phones) in the Indian market, which means it can charge higher prices. It is getting out of the CDMA 2000 market because there is intense competition. The thing is, there is certainly pressure in developing markets to get people to focus only on voice when we know the rest of the world is moving towards data capability. The world is moving to CDMA. If the rest of the world is moving towards CDMA, why move to GSM? Again, Nokia has not been successful in the CDMA 2000 market.

The only place where there is a battle between GSM and CDMA is in the developing markets, which are very cost-sensitive. It is true that at the very lowest end of the market, a GSM phone is slightly less expensive than a CDMA one.

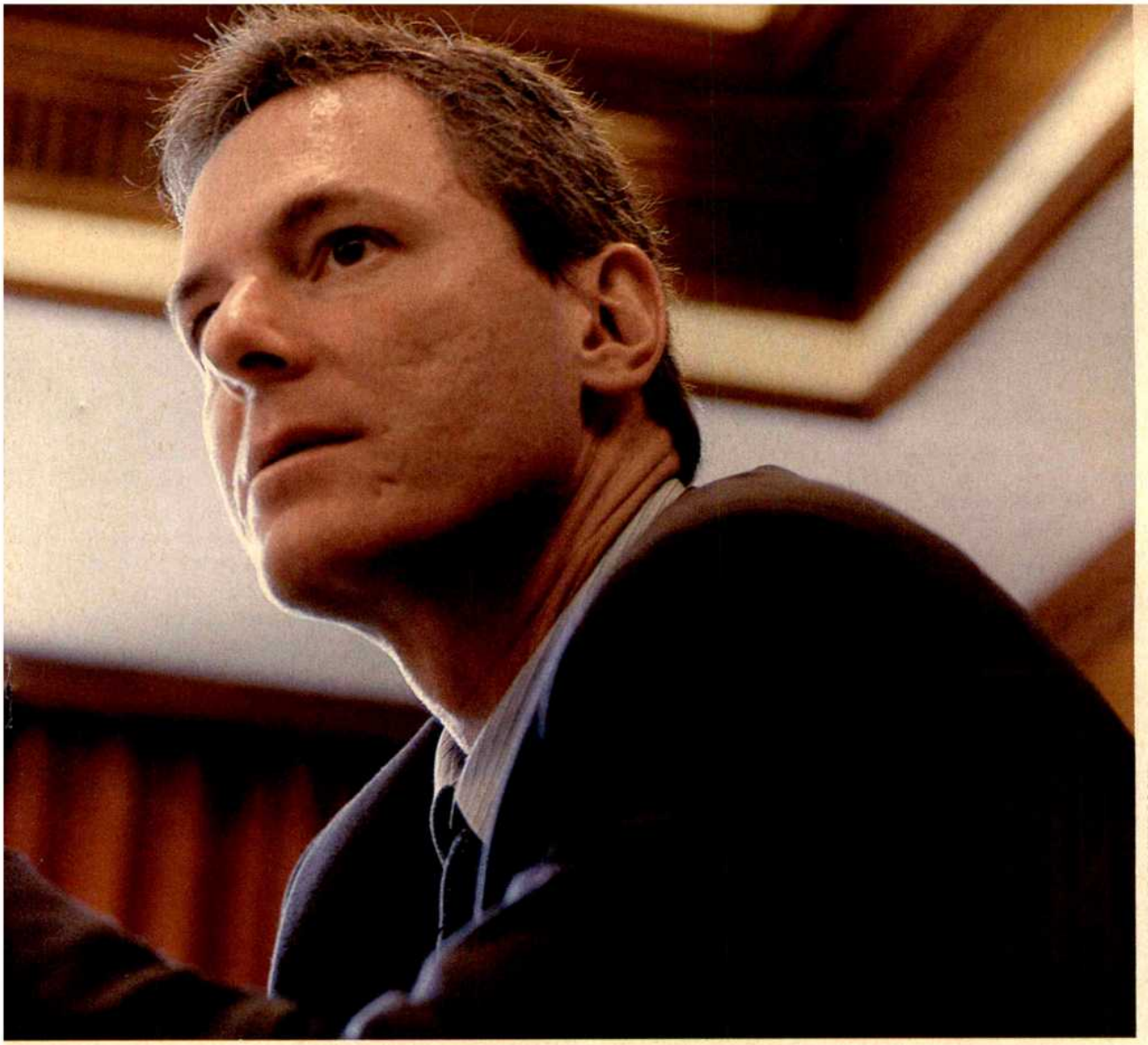
Nokia also speaks of the licensing terms not being acceptable...
I am not sure what they were talking about, but we do have a contract with them right now. We are in discussions with them on the renewal of that contract and that is going to happen next year. There is a lot of competitive positioning going around those negotiations.

And there are a few people in India who want the same thing.
That issue got blown out of proportion. If you look at our royalty rates after netting everything out, you are talking of about 5 per cent. This means, for a $40 (Rs 1,840) phone, it would be at about $2 (Rs 92). If the price is halved, then the royalty is down to about a dollar (Rs 46). The whole thing is about handset pricing since royalties are paid by the manufacturers. In exchange for the royalties, we do the fundamental R&D. They (handset manufacturers) are actually saving money on the R&D side. Earlier, only the large handset manufacturers who could do the fundamental R&D had the next generation technology, which is why you saw only a few manufacturers in the market.

In India, both CDMA operators, Reliance Infocomm and Tata Teleservices seem to have an issue with your royalty structure. Surely, there must be some substance to it.
There are various issues that we were negotiating on. We do the licensing with the handset manufacturers and not with the operators. If I am a manufacturer and if I want a higher price, who is the best person to point at (and say, "My price is higher because we have to pay royalty to these guys.")? It's us and that is why we are becoming more open about our royalty rates. What we have been trying to explain to the operators is that the handset prices are the key thing and we have been driving down the prices. The royalty is a very small percentage of the price of the handset. How can prices be reduced? We are investing more into chipset R&D, which means at the very low end, we integrate more and more capabilities into a single chip. There are other things like aggregating volumes for manufacturers covering a wider range of operators. Overall, we are not here to tell the operators what to do. We are here to assist them in their business.

How real is the threat when Reliance says it is considering moving to GSM? Is that logistically possible?
Almost anything is possible if you have money and spectrum (laughs). We have an issue in India on the way spectrum is allocated. It does not really provide an operator the ability to take advantage of CDMA to provide not just voice capability, but also incremental data services. That is an issue that we are trying to manage.

How do you strike a balance in a situation where you have two CDMA and about six GSM operators in India. What is the future for you in that context?
The GSM operators will take the WCDMA route to 3G. We are at an interesting position. All the operators will be our clients. There was a time in the past where we had the CDMA versus GSM battle. Clearly, in some of the developing markets, there is a little bit of that still going on. But people who are in GSM will move to the WCDMA base (when they go 3G)



PHOTOGRAPHS BY UMESH GOSWAMI

Group Chairman Ratan Tata, and Reliance Infocomm's Anil Ambani. Jacobs is clear that India is a key market for Qualcomm (it accounts for just 2 per cent of the company's royalty revenues, but this number will increase) although GSM, *a rival standard, is the prevailing one in India (as it is in most parts of the world). He adds that the company's investments in India will be "substantial", explaining that 15 per cent of Qualcomm's employees are Indians. In an interview with* BT's **Brian Carvalho** *and* **Krishna Gopalan**, *Jacobs put forth Qualcomm's point of view on the issue of royalty and why he is so kicked about India's telecom story. Excerpts:*

Is CDMA it?

It is the technology of the third generation (3G networks and phones). Everyone today is moving to 3G CDMA for improved data capability and better spectrum usage. The entire wireless market is moving that way. Even in a market like Western Europe, for instance, which is considered a GSM market, 25 per cent of the handsets sold in December 2005 were CDMA-based.

Would you say that CDMA is suited more to some markets than others?

Clearly, there are a lot of markets that are more price-sensitive like India. So, you have to focus and tier the product in terms of what the consumer wants to buy. For instance, our BREW (Binary Runtime Environment for Wireless) software allows applications to be downloaded to your phone. This will depend on how capable your phone is. I think the key issue is that of tiering and making sure that you have a product that can address

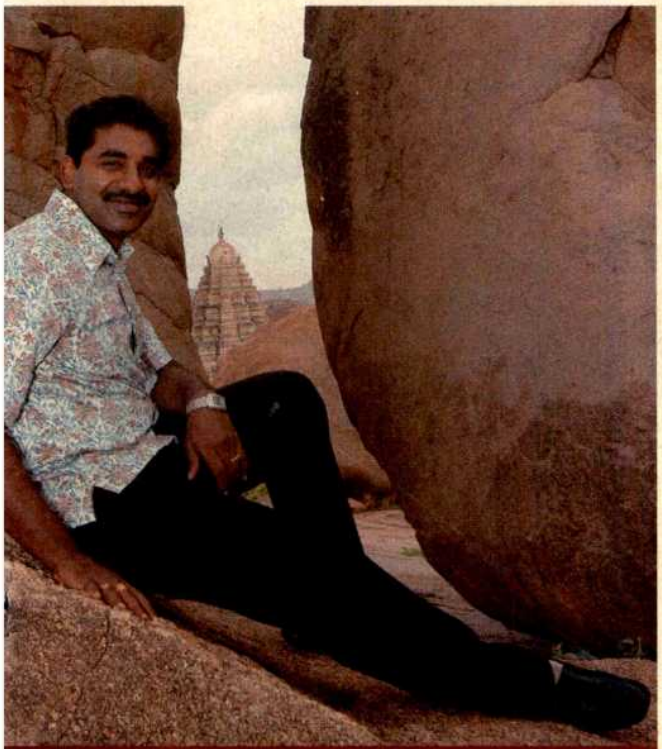
"The key issue is of tiering and having a product in all segments"

Paul E. Jacobs/ CEO/ Qualcomm

"The Writing Is On The Wall... All Operators Will Be Our Clients"

PAUL JACOBS DOESN'T LOOK *like a man who is contemplating breaking his company into two, as he admitted in mid-June that he would if it were necessary (the company faces an investigation over anti-competitive practices in Europe; competitors such as Nokia, Ericsson and Texas Instruments allege that it bundles its two offerings, chips and patent licences in such a way that makes competing all but impossible; for more, see* Two Companies Or One? *on page 94). Coincidentally, the company that faces a Microsoft-like investigation formed an alliance with the latter in May (see* Microsoft + Qualcomm *on page 94) that could, if all goes well, help both companies in areas where they are on weak ground, Microsoft in the area of mobile telephony software, and Qualcomm in the area of a converged communication, computing and entertainment platform. In many ways, these are but two more chapters in the continuing saga of Qualcomm, a technology powerhouse that hasn't always had the better-end of policy and regulatory developments. For instance,* WCDMA *(Wideband Code Division Multiple Access), a standard on which Qualcomm collects royalties (as it does on* CDMA *itself), was expected to be at the core of third generation (3G) mobile telephony networks and handsets (phones), but with Europe picking the 2.1* GHz *spectrum for 3G, this was not to be. At that frequency,* WCDMA *doesn't work very well (it does at 450* MHz*) and consequently, isn't economically viable, one reason why European telcos have gone slow on 3G. For the record, Flash-*OFDM *(Orthogonal Frequency-Division Multiplexing), a 4G (fourth generation) technology provides a better alternative, and in mid-2005, Qualcomm acquired the company behind this technology, Flarion.*

In India, too, Qualcomm hasn't had it easy. Jacob's recent visit was to defuse a budding crisis over royalty payments (which are perceived to be too high). The CEO *of Qualcomm met with Telecom Minister Dayanidhi Maran, Tata*



Ore to hotels: Sri Srinivasa's Rao wants to set up a statewide hospitality chain

talking about their wealth. KMMI's Wahab is unhappy with a report in some newspapers that the district's mine owners have ordered between 25 and 30 helicopters. "That is simply not true," he says. He shakes his head to express his feelings and adds, "This is a small place and it (such reports) can create problems."

One problem is extortion calls from the underworld. Modi, for instance, asked for and has been accorded 24X7 police protection for himself and his family. "There were some problems," he admits, hinting at the calls, "but everything has been sorted out now." "There has been plenty of trickle-down wealth," adds Srinivas Rao, Managing Partner, Sri Srinivasa Minerals Trading Company (2005-06 revenues: Rs 160 crore). "But there is a lot of poverty in this area."

Mineral wealth, like spectrum, is considered a national resource in India, which is why companies wishing to mine iron ore need to acquire mining licences from the government (the state government of Karnataka in this case). Most mining magnates are politically well connected. For instance, Santosh Lad, whose family runs V.S. Lad and Sons, a mining firm, is political secretary to H.D. Kumaraaswaamy, the current Chief Minister of Karnataka. His cousin Anil Lad, who also has interests in the mining business, is a member of the state's legislative assembly (an MLA; he belongs to the BJP). And the Member of Parliament (MP; also BJP) from Bellary, Karunakara Reddy, also comes from a family with interests in mining. Santosh Lad sees nothing strange in this and insists that his family entered mining first, politics later. "Mining is just a business," he says. "Politics is to serve the people."

Bellary is also high up in the list of preferred postings for a bureaucrat. The district is witness to rampant illegal mining on government land, and it pays to look the other way when such work is in progress. Most major mining companies attribute such activity to small-time buccaneers, but a senior bureaucrat insists that "illegal mining is rampant and several hundred crores of mineral wealth is being looted (every year)". He adds that the government itself has been propped up with money from the mining lobby. The state's Deputy Chief Minister B.S. Yediurappa pooh-poohs the allegations. "Illegal mining, wherever it is happening, will be stopped," he says. "We will take strict action against the offenders." In the past year, 242 cases of illegal mining were registered and a fine of Rs 1.42 crore levied. However, the state government is yet to take a call on increasing royalties being paid by the miners to it, Rs 27 a tonne for lumps and Rs 19 for fines (as compared to export market rates of $52 and $45, respectively.)

In a bid to enter the corporate mainstream and earn some respect, Bellary's billionaires are pulling out all stops. The Baldotas are investing Rs 2,200 crore in an integrated speciality steel plant. MSPL has already filed a Red Herring prospectus with the Securities and Exchange Board of India and will launch a public offering to sell a 20 per cent stake "once the markets settle down", according to Narendra Kumar Baldota. The money, he adds, will also help the company acquire mines in other countries. Modi has already invested Rs 100 crore in a beneficiary plant, a pelletisation unit, and a sponge-iron facility. KMMI's Wahab owns a sponge iron plant and steel mills. And while some of the others are investing in steel plants, Srinivas Rao is planning to invest in a chain of hotels across the state.

Will the party continue? The mining magnates think so, unless the Chinese economy slows down. "Even then," says Wahab, "present prices will continue." And reports that India may ban the export of high-grade ore as it tries to increase steel-making capacity from 42 million tonnes a year now to 110 million tonnes by 2020, claims Rahul Baldota, are part of the "scare-mongering" tactics of a "powerful steel lobby that has its own vested interests". And when it comes to lobbies, Bellary's billionaires can probably hold their own. ■

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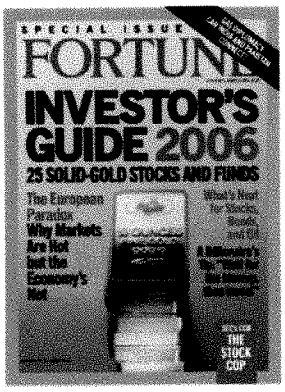

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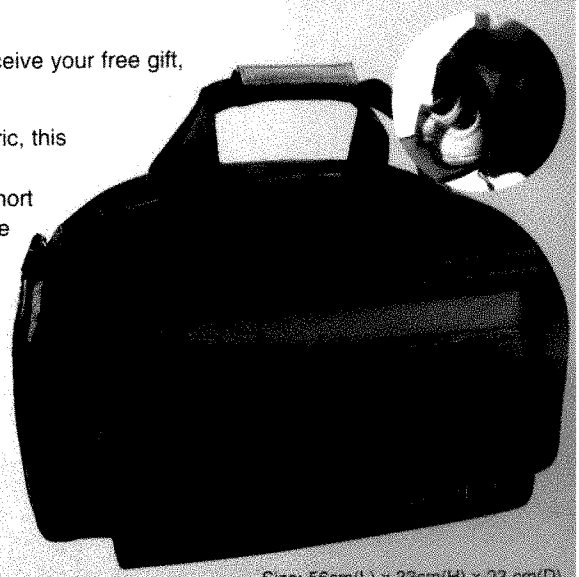

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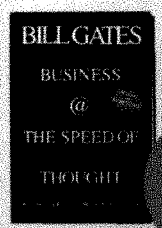

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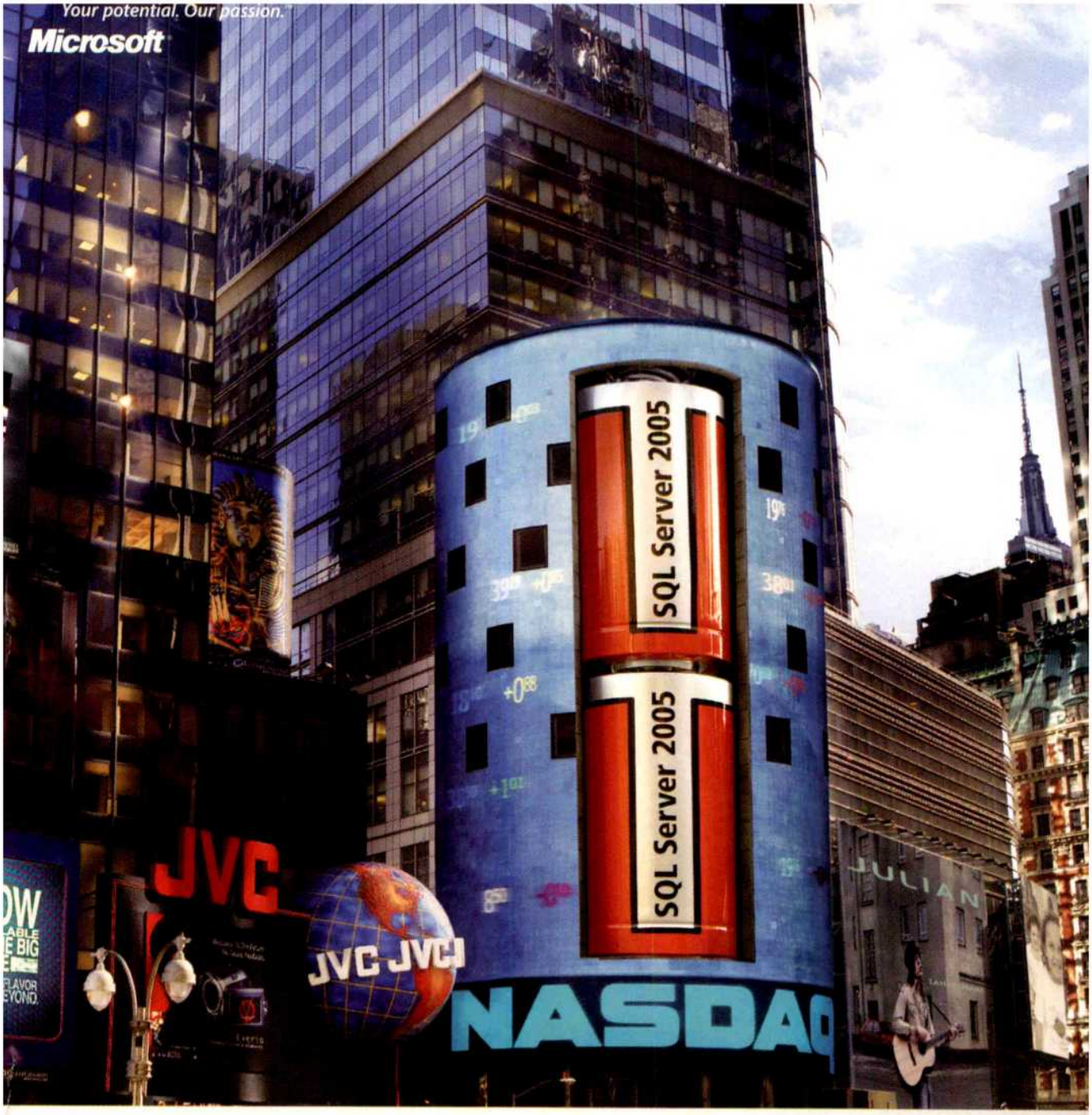

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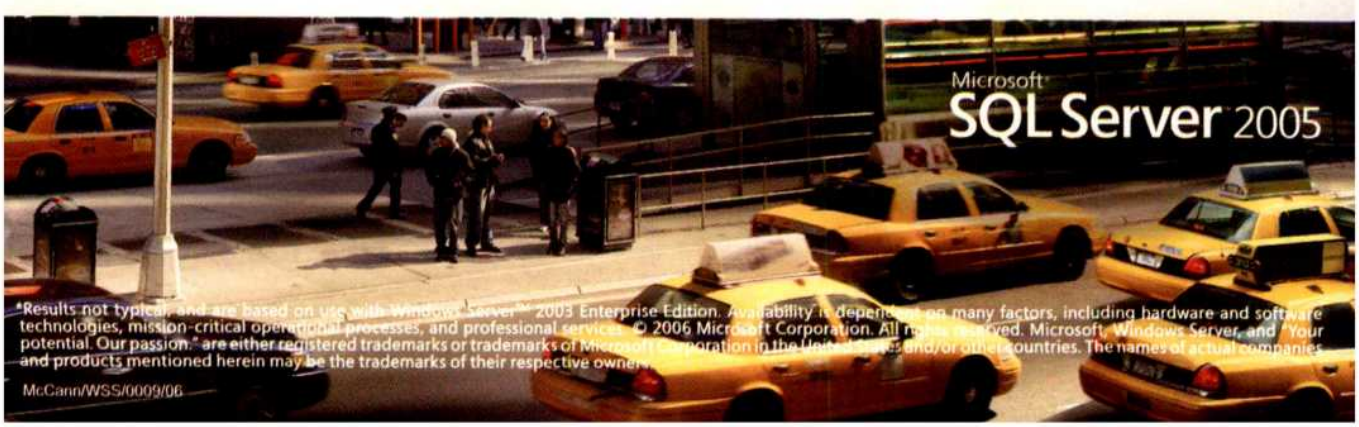

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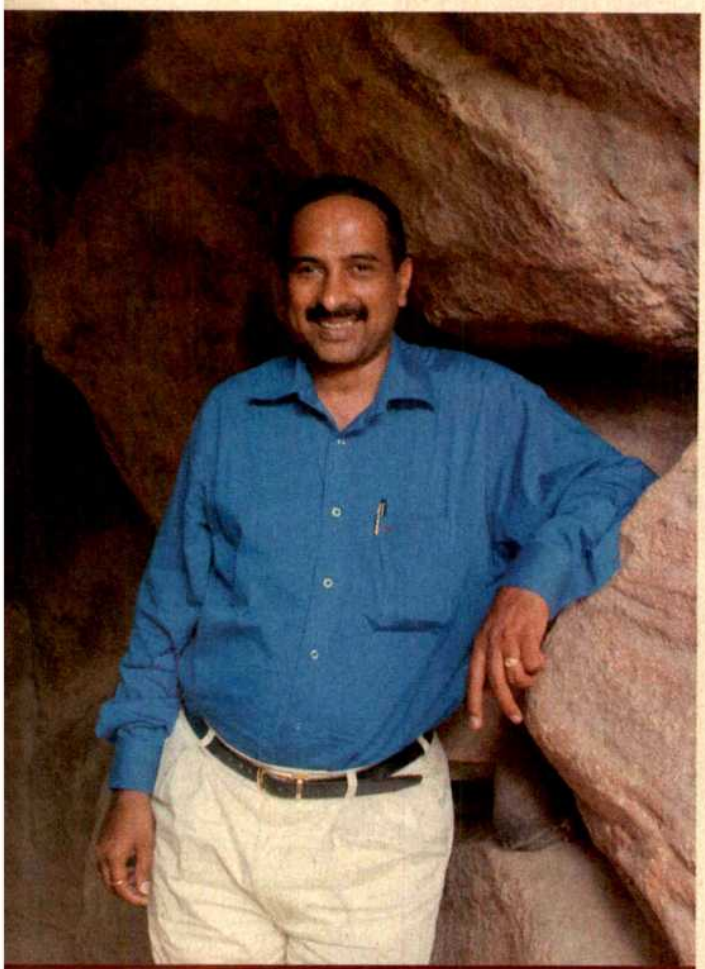
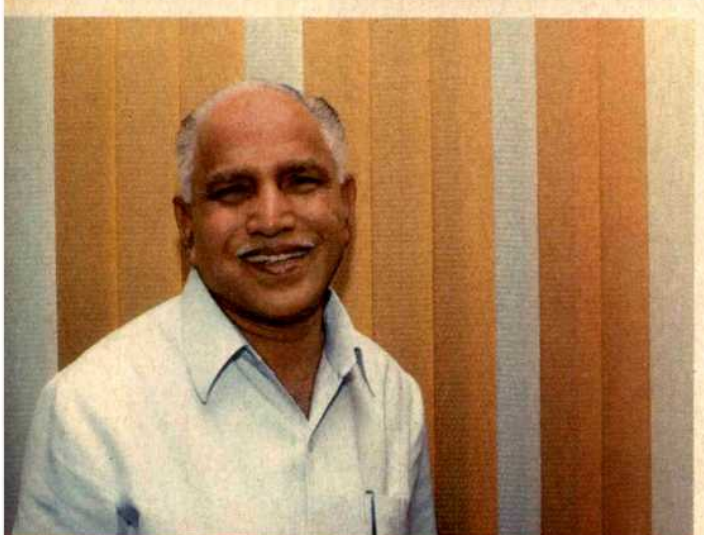


Truckin' it in: PVG's Ghotage is the local 'logistics king' and commands a fleet of 3,000 trucks



Read my lips: Illegal mining activity will be checked, insists Karnataka's Deputy CM Yediurappa

"Some of the strictures imposed on us while permitting us to export—not being allowed to export to countries with whom MMTC was already doing business—turned out to be a blessing," says Narendra Kumar Baldota, Abheraj's son and now the Chairman and Managing Director of MSPL (formerly Mineral Sales Private Ltd). And so, in 1997, MSPL bagged its first order, a small one, from China.

It doesn't take much to mine iron ore. Anyone wishing to do so would require mining licences, still sometimes granted as a favour by the political establishment, some mechanised earth digging equipment, and a logistics network that can ship the ore to the nearest port. Demand (from China) and soaring prices ensure success. For instance, in 2005-06, MSPL exported 6 million tonnes of ore and earned a net profit of Rs 450 crore on a turnover of Rs 1,100 crore.

It isn't just the Baldotas of MSPL who are working the new alchemy of turning iron to gold to their advantage; in 2005-06, Santosh Kumar Modi's Bellary Iron Ores Pvt. Ltd and VG Mines Pvt Ltd exported 2.2 million tonnes of ore and earned a net profit of Rs 150 crore on revenues of Rs 560 crore. Sajjad Wahab's KMMI Group exported 3.2 million tonnes and registered revenues of Rs 1,500 crore (the man will not share information on profits). And PVG's Prasanna V. Ghotage has built a Rs 800-crore company (net profit in 2005-06: Rs 65 crore) around managing the logistics need of the mining firms; he commands a fleet of 3,000 trucks, two railway rakes (each with 58 wagons, and eight more rakes are on the way), and goes under the entirely understandable moniker of 'logistics king' in this part of the world. Bellary is landlocked, and the ore has to be transported to Mangalore, Goa, even Chennai, to be shipped out.

There's visible sign of all that money in Hospet. The Baldotas have spent Rs 10 crore on a Cessna single-engine turbo-prop and ordered a Cessna Jet CJ1 at double the price (they have also built an airstrip). "It is a business requirement, not a luxury," says Rahul Baldota, Executive Director, MSPL, and Abheraj's grandson. Bellary Iron Ore's Modi is an auto aficionado and boasts a garage of 14 cars, including a VW Beetle convertible that is the latest addition to the fleet and the current favourite. He travels around in a P68C, a six-seater twin-engine aircraft but on the day this reporter meets him, is finalising a deal to acquire a Beech King B2-100 twin-engine aircraft for Rs 23 crore. And KMMI's Wahab has a home gym that could be straight out of the pages of an international fitness publication.

Still, Bellary's mining magnates are uncomfortable

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Dressed for the IPO: MSPL's (from left) Shrenik, Narendra Kumar and Rahul Baldota have filed a Red Herring prospectus

Closer home: G.G. Brothers' Gogga Channabasava Raj prefers supplying to Indian steel mills

government in Karnataka, the H.D. Kumaraaswaamy-led alliance of the JD(S) and the BJP, is propped up by the mining lobby. That roster of achievements is no mean feat for a district that is among the most backward in the state.

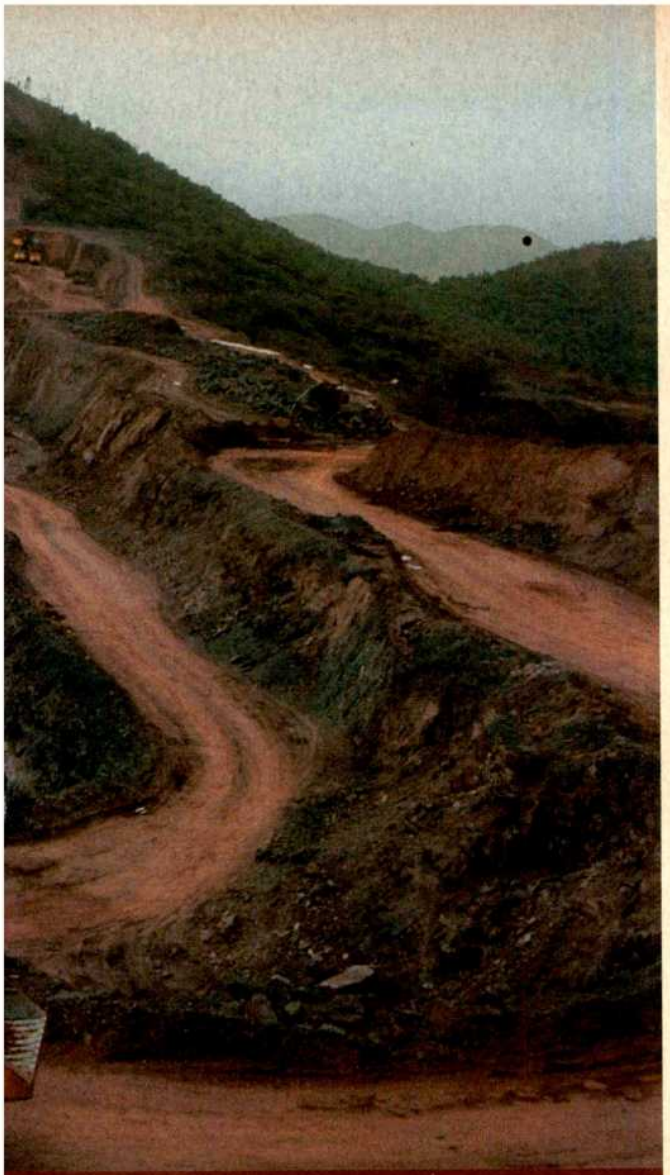
Bellary isn't exactly the most salubrious place on earth. In summer, the thermometer can touch 46 degrees (Celsius) in the shade. Rainfall is scanty. The land is rocky and not suited for agriculture. What the district lacks in terms of these, however, it makes up with an abundance of mineral resources, both metallic (think: iron ore, manganese ore, red oxide, copper, lead, even gold) and non-metallic (quartz, limestone, granite and the like).

Iron ore isn't a rare mineral in India; it is also available in states like Orissa, Goa, and Jharkhand. If Bellary's ore has anything going for it (and it has), it is the grade, or the proportion, by weight, of ferrous content. This number is between 35 per cent and 50 per cent for ore available in most parts of India; it is 67 per cent for that in Bellary. "The haematite ore (chemical composition: Fe_2O_3) available here is ideally suited to making steel as opposed to the magnetite (Fe_3O_4) ore common elsewhere," explains Meda Venkatiah, President, Mining Engineers Association of India. It is also easier and less expensive to remove the impurities in higher-grade ore and convert it to steel. Hospet's boom, however, wouldn't have been if several things hadn't happened.

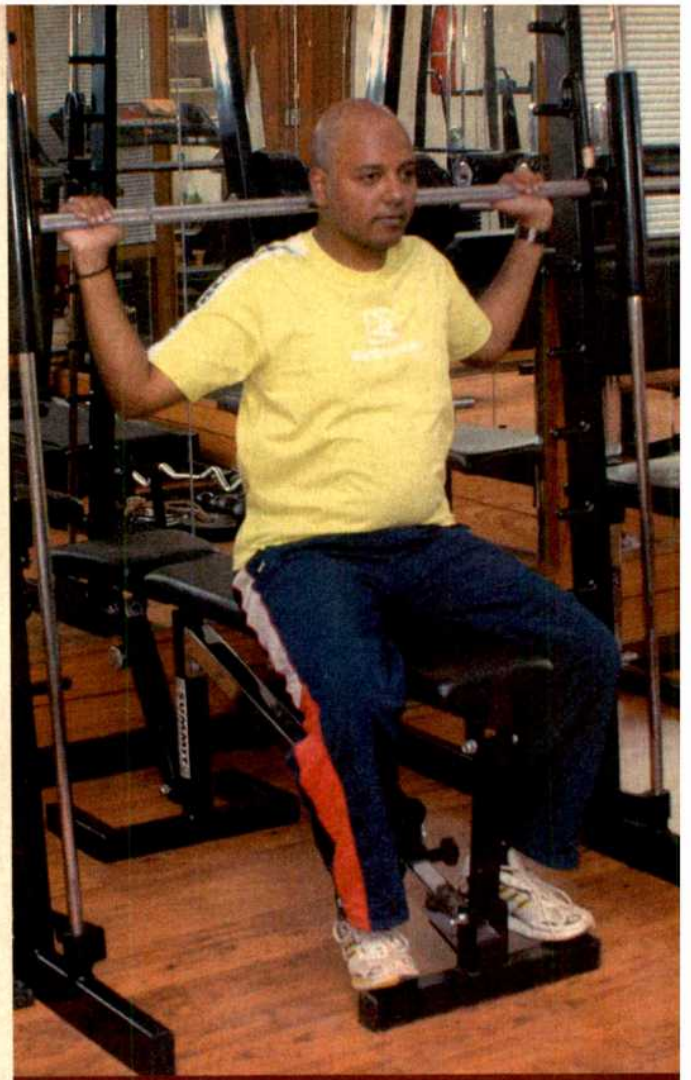
The first was China. Although the country had been importing iron ore for some years, it was only in 2002, spurred by a booming economy's near-insatiable appetite for steel, that it really started buying in some volume. In the four years since, China's steel-making capacity has grown from 130 million tonnes a year to 350 million tonnes.

The second was the preference the Chinese had for fine ore (termed Fines in industry lingo). Japan, which along with South Korea, was a large importer of iron ore before China emerged on the scene, preferred lumps (rocks or ore between 40 mm and 200 mm in diameter). The third was the spurt in ore prices, engendered, in large part, by the first factor, China's hunger for the commodity: from around $16 (Rs 752) a tonne in 2001, ore prices touched a high of $95 (Rs 4,275) in February 2004 and currently move between $45 (Rs 2,070) and $52 (Rs 2,392).

The last was the government's decision, in 1986 to allow companies to directly export ore without routing it through the state-owned MMTC (formerly Minerals and Metals Trading Corporation), one influenced by years of lobbying by Abheraj Baldota, a now-deceased businessman originally from Pune.

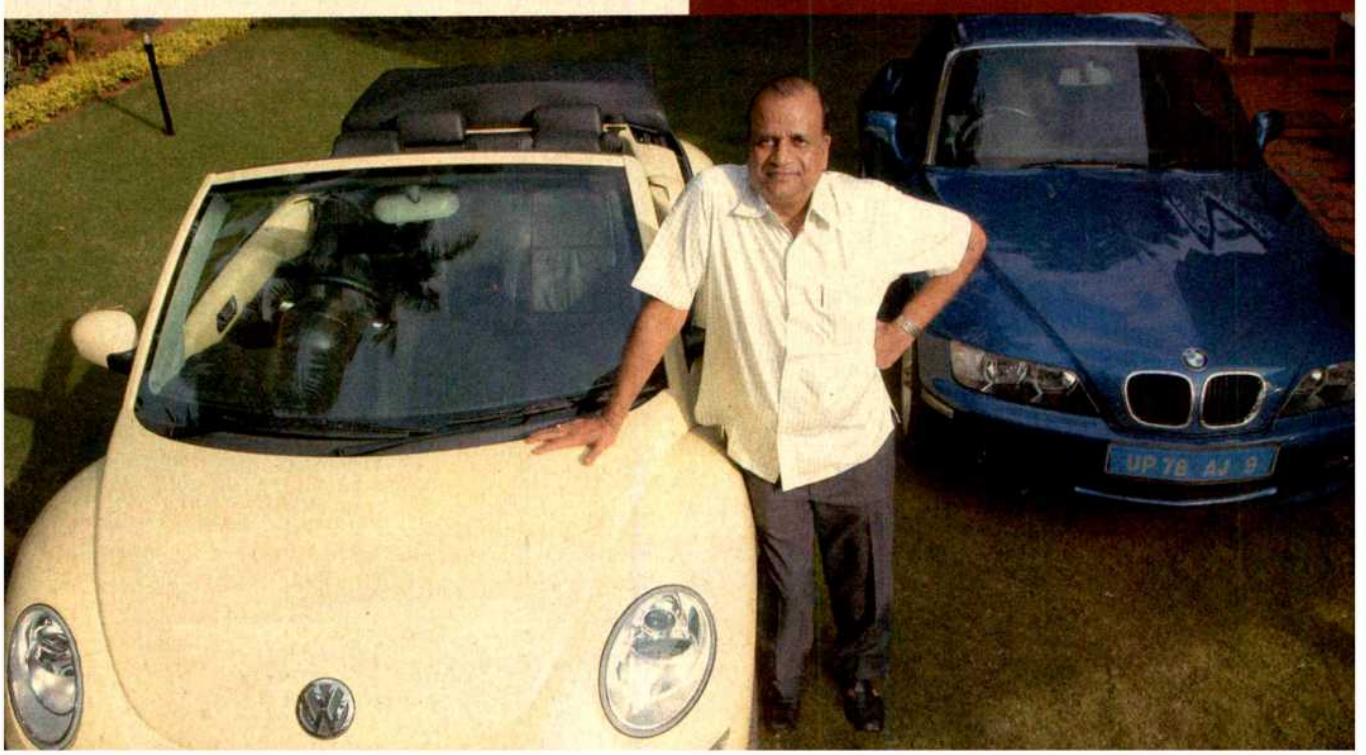


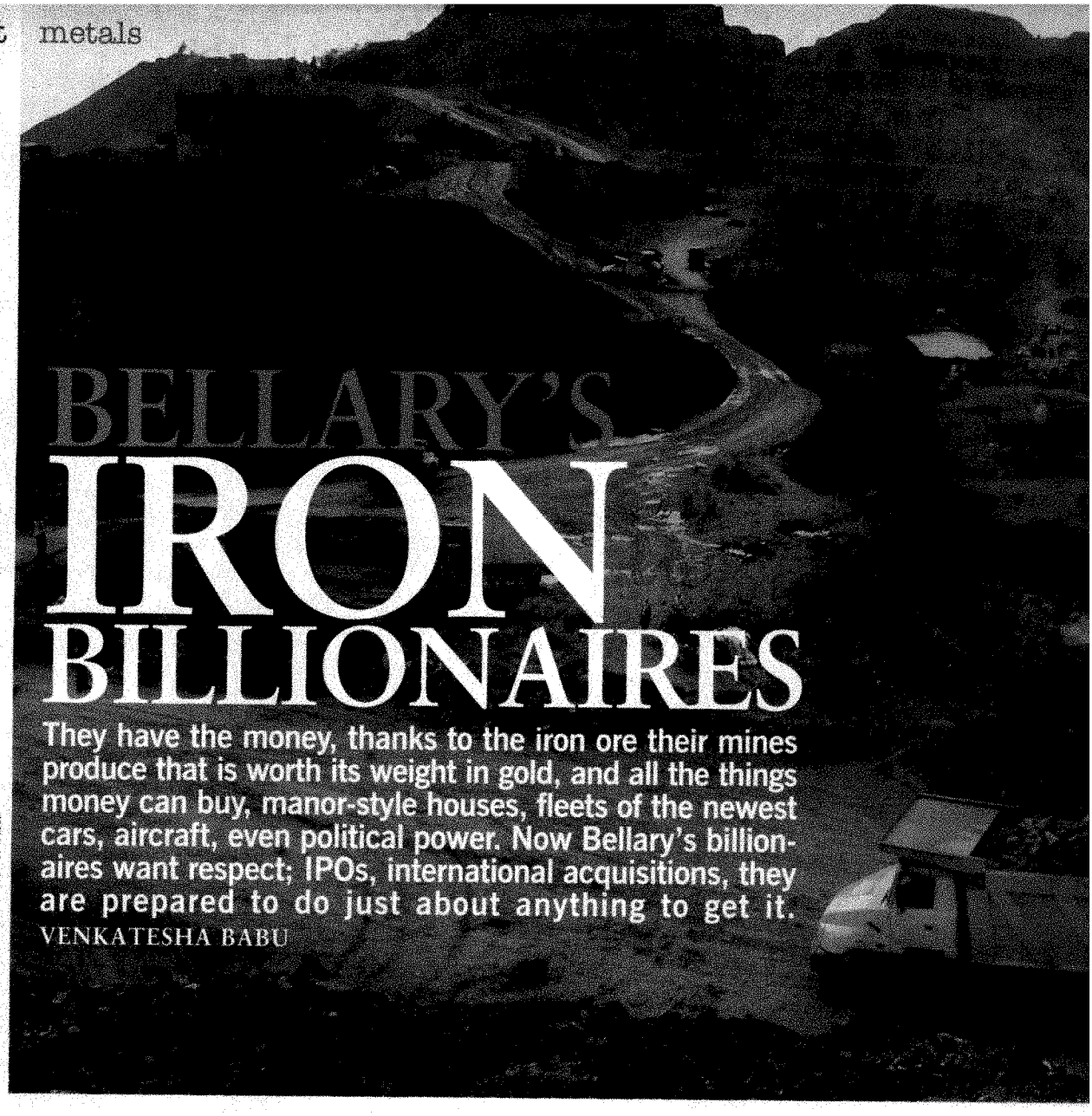
The good earth: The mineral-rich content of this rocky and rain-starved region has changed Bellary's fortunes



In the fitness of things: KMMI's Wahab showcases his ultra-modern home gym, but won't talk about numbers

One of 14: And the newest too, the VW Beetle is the favourite of Bellary Iron Ore's Modi





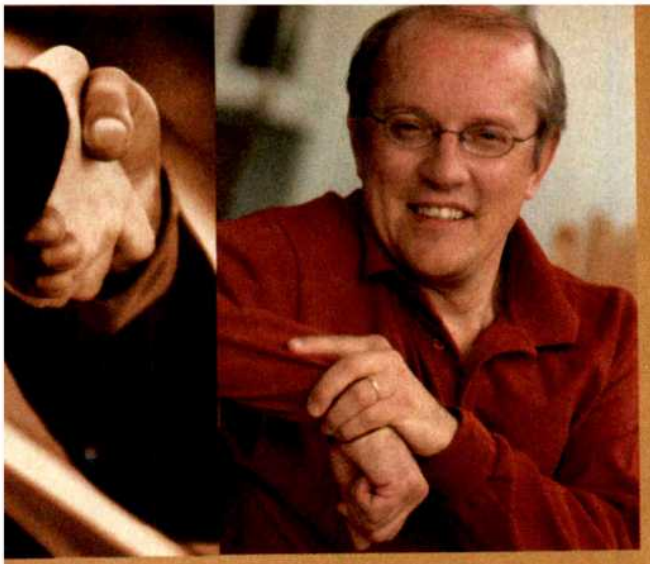
BELLARY'S IRON BILLIONAIRES

They have the money, thanks to the iron ore their mines produce that is worth its weight in gold, and all the things money can buy, manor-style houses, fleets of the newest cars, aircraft, even political power. Now Bellary's billionaires want respect; IPOs, international acquisitions, they are prepared to do just about anything to get it.

VENKATESHA BABU

PHOTOGRAPHS BY DEEPAK G. PAWAR

15°16'N 76°26'E: HOSPET, A SMALL, DRY, DUSTY TOWN 353 KM NORTHWEST OF Bangalore, in Karnataka's Bellary district. A few thousand people do look up the co-ordinates on the map every year; Hospet is eight km away from the ruins of Hampi, all that remain of the Vijayanagar Empire that flourished in this part of the world between the 14th and the 16th centuries AD, the nearest outpost of civilisation for tourists keen to get a whiff of history. Yet, tourism has nothing to do with the boom currently on in Hospet (literally, new town); the reddish dust that falls off the perilously overloaded trucks that negotiate the town's lunar landscape, and which is eagerly scooped up in pans by the populace, does. The dust is a mixture of sand, rocks, and fine iron ore and is the closest you can get to panning for gold in Hospet. In 2005-06, iron ore exports from the Bellary district totalled 35 million tonnes; India's total exports of the commodity, 80 million tonnes. The lone branch of the State Bank of India in Hospet handled foreign-exchange transactions worth some Rs 1,400 crore (almost all of it, inflows) in the same period. For a town with a population of around 150,000, that's a bit. The rich of Hospet and Bellary, the eponymous town that's the largest in the district, mining magnates mostly, have it all: mansions, cars, aircraft, even political currency—the buzz in the two towns and in Bangalore is that the ruling



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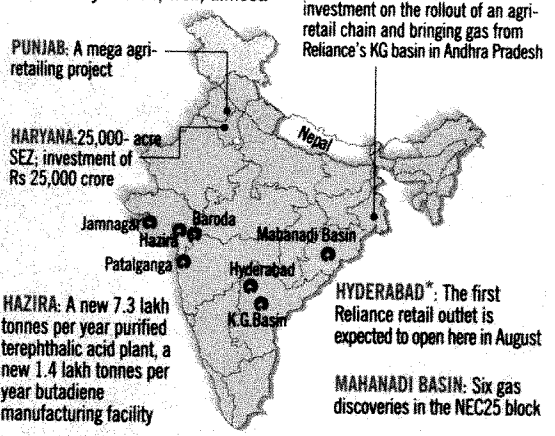

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PINAKI PAUL

The Road Map

Reliance's petrochemical business, the foundation on which all its other businesses have been built, became the success it is today by forging strong forward and backward linkages. Ambani wants to replicate this model in retail. In foods and grocery, where he has articulated a farm-to-table approach, the company is becoming a large player in the contract farming business in states like Punjab and West Bengal. Farmers and governments are not comfortable with contract farming—there is some stigma attached to allowing Big Business enter the agricultural sector—but Reliance has the resources to change that mindset. Nor is the company a stranger to farming; one of its subsidiaries, Jamnagar Farms Limited, cultivates mangoes for the export market (it recently bagged an order from Harrods).

Punjab could also be key to the company's ambitions in the dairy business; Ambani, it is learnt, would like Reliance Retail to procure 10 million litres of milk a day from farmers, and sell it either as milk or as processed dairy products, much like the Gujarat Co-operative Milk Marketing Federation does under the brand name Amul. Reliance Retail is also reportedly putting down a consumer durables sourcing arm in China and a warehousing facility in Thailand, both low-cost destinations.

Reliance Retail, apart from owning the back-end, and a variety of front-end formats, is also said to be keen on entering the business of malls and multiplexes. There are also reports that the company has forged an alliance of sorts with the Delhi-headquartered real-estate developer DLF, which would involve it putting down a supermarket, hypermarket, or specialty store in every new mall being developed by the latter. Malls, some analysts believe, could be the weak link in Ambani's plan.

"The business is one that entails large investments and is high-risk in nature," says P. Phani Sekhar, a retail analyst at Angel Broking, a Mumbai brokerage, "Revenues will come, but what of profitability?" Despite that, most people in the analyst community believe Reliance is onto a good thing. Mumbai brokerage Enam Securities, for instance, has put out a report with a target price of Rs 1,200 for the scrip (currently quoting at Rs 1,031.60) by 2006-07. *We view Reliance's strategy as being driven by strong logistics and a high degree of integration, thereby, translating into higher margins*, says the report.

The competition, meanwhile, is maintaining a brave face and insists there is no cause for alarm. Everyone's objective, explains Kishore Biyani, whose Future Group has aspirations quite similar to Reliance Retail's with several modules already on the ground, is to increase consumption. "The issue is one of players getting together to increase consumption levels," he reiterates. And R. Subramanian, Managing Director, Subhiksha, who denies he is considering selling out to Reliance, believes that his chain won't be affected. "For someone like us, the opportunity lies in the fact that the market is huge and segmented."

Indeed, the market is large enough: estimates from retail consulting firm Technopak put the size of the (organised retail) industry at $20 billion (Rs 92,000 crore) by 2011; those from Ernst & Young, at $30 billion (Rs 1,38,000 crore) by 2010.

It must be numbers such as these that encouraged Ambani to say, at the AGM that the retail initiative was "a defining moment in Reliance's history". ■

ADDITIONAL REPORTING BY E. KUMAR SHARMA

COMPANY ON STEROIDS

RIL is clearly in a hurry.

MUKESH AMBANI WANTS MORE. IN 2002, WHEN HE inherited the mantle of Chairman of Reliance Industries after the death of his father, Dhirubhai Ambani, his empire was worth Rs 30,862.78 crore in revenues, Rs 3,318.34 crore in net profit, and Rs 37,530.63 crore in market capitalisation. Since then, he has been party to a settlement that has seen some of the group's companies, including Reliance Infocomm, widely considered 'his baby', going to his younger brother Anil Ambani. However, since this settlement was reached, on June 18, 2005, Ambani Sr, now 49, has been in overdrive, growing existing business at a frenetic pace and launching new ones. Flagship Reliance Industries ended 2005-06 with Rs 89,124 crore in revenues (a 21.81 per cent increase compared to 2004-05, despite the loss of Reliance Infocomm) with 37 per cent of this number being accounted for by exports. The company has completed the 2.8 lakh tonnes capacity expansion at its polypropylene plant in Jamnagar, taking overall capacity to 14.3 lakh tonnes a year. It has now embarked on another initiative to add a further nine lakh tonnes to this capacity by 2008. Reliance Petroleum was de-merged from RIL (which still owns a 75 per cent stake in the former) and made an initial public offering in April 2006 (it currently trades at Rs 61.65, giving it a market capitalisation of Rs 27,742.5 crore). With a refining capacity of 60 million tonnes by the time the project is completed in December 2008, Jamnagar, as Ambani mentioned at the company's annual general meeting, will "become the largest hub for petroleum refining in the world with a capacity to process 1.24 million barrels of crude oil a day". At the same meeting, Ambani also let on that the company had struck oil in three places in the Krishna Godavari basin. By the second half of 2007-08, he added, the company would also complete the 1,400-km-long pipeline it is constructing across the breadth of India to pipe gas from the discoveries it made in 2002. Meanwhile, the Directorate General of Hydrocarbons has declared that the six gas discoveries made by the company in Orissa's Mahanadi basin are 'commercial'. In June, Ambani signed a deal with the government of Haryana to set up a 25,000-acre special economic zone (SEZ) at a cost of Rs 25,000 crore. The SEZ is envisaged to have its own 2,000 MW power plant, an international cargo airport, and an inland container terminal. Five years after it goes operational, Reliance sees this SEZ generating revenues between Rs 40,000 crore and Rs 50,000 crore. While signing the deal with the Haryana government, Ambani said the company was hoping to establish similar SEZs in Mumbai and Jamnagar. Also in June, the Punjab government announced that it was giving the company 5,000 acres of land to establish a mega agri-retailing project that spans everything from processing centres to hypermarts. Around the same time, Ambani also announced an investment of Rs 4,000 crore in West Bengal in a gas terminal and an agri-retail chain. That's a bit for one company (even RIL) and one man (even Mukesh Ambani) in a year. Then, there's retail.

It's a deal: Ambani (R) and Haryana CM B.S. Hooda

Jain, have been working overtime to put the retail blueprint in place; Jain and Modi were also involved in the launch of Reliance Infocomm. Ambani has also hired a clutch of senior executives (see *Ambani's Retail Strikeforce*) to implement his vision for Reliance Retail. In true Reliance tradition, those involved with Reliance Retail have been and continue to be secretive about details (apart from Ambani's broad-stroke statements at the AGM); speculation about names (Fresh Plus is being spoken of as the brand of the fresh-produce chain) and possible acquisitions (Chennai-headquartered discount store chain Subhiksha is one name that is doing the rounds) abound; and controversy, at the least, the whiff of it is not far away—Mumbai-based Radhakrishna Hospitality alleges that it had a similar sort of arrangement on with Sahakari Bhandar up to 2009, and had made substantial investments in it, only to have the chain arbitrarily shut the door on it.

Despite all this, Ambani couldn't have picked on a more promising and challenging sector than retail. According to a recent report put out by Mumbai brokerage Motilal Oswal Securities, the total size of the Indian retail market is Rs 9,30,000 crore and organised retail accounts for just Rs 28,000 crore of this. The numbers are made up of a variety of product categories. Foods and grocery accounts for 11 per cent, apparel 39 per cent, consumer durables 9 per cent, and furniture and furnishings 8 per cent. Reliance, and Ambani,

No timeline has been set for this retail blitz, but given that the company is Reliance, it will likely be sooner than expected

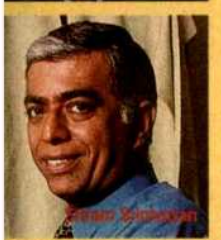
interpretations to the terms size and scale, it was Reliance Infocomm—a venture nurtured and personally driven by Mukesh Ambani and whose control has since passed on to his younger brother Anil after a settlement dividing the Reliance empire arrived at last year—that helped India's on-going telecommunications boom take off. The company's aggressive price-play forced competitors to cut costs and India's mobile telephony base has grown from 11.35 million in December 2002, when the company launched its services, to about 120 million today.

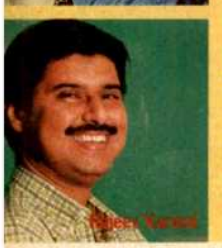
Residents of Mumbai have already experienced a bit of Reliance Retail. Sometime in April, an outlet of the state-owned Sahakari Bhandar chain (it has 23 stores in Mumbai) in central Mumbai closed for renovation. No one really minded; the co-operative store had not been able to hold its own against the competition and the quality of service and the range of stockkeeping units had suffered in the process. When it opened in early-May, it sported a new look. The store itself has been redone and air-conditioned; the staff now wore smart uniforms; and everything from fresh produce to frozen foods to DVDs was now available. Sahakari Bhandar, it emerged, had outsourced its supply chain management to Reliance (which, in the process, gained a first-hand understanding of the retail business). And true to the company's style, there was nothing to suggest that the store was now being run by India's largest corporate group. No name, no logo, nothing.

A Question Of Synergy

The provenance of Reliance Retail isn't known (and Reliance and Ambani aren't saying anything), but it is likely that Mukesh Ambani first thought of it when he was putting the company's telecommunications business, Reliance Infocomm, together in 2002. There are obvious synergies between financial services, energy (at the retail end), telecommunications, (not to mention petroleum retailing) and retail. Four years since, he doesn't have three of the pieces that finish the jigsaw: Reliance Infocomm, Reliance Energy and Reliance Capital are now part of brother Anil Ambani's eponymous group. Not that Ambani is letting that stop him. At the AGM, the list of categories he listed out for Reliance Retail included: "Distribution of energy products and services...distribution of financial and travel services."

Ambani and his A-team, Manoj Modi and Anand

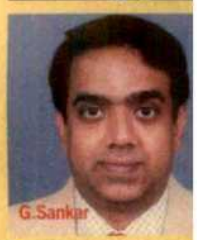


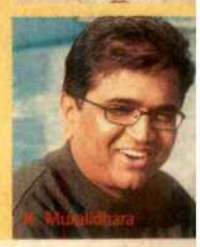


AMBANI'S RETAIL STRIKEFORCE

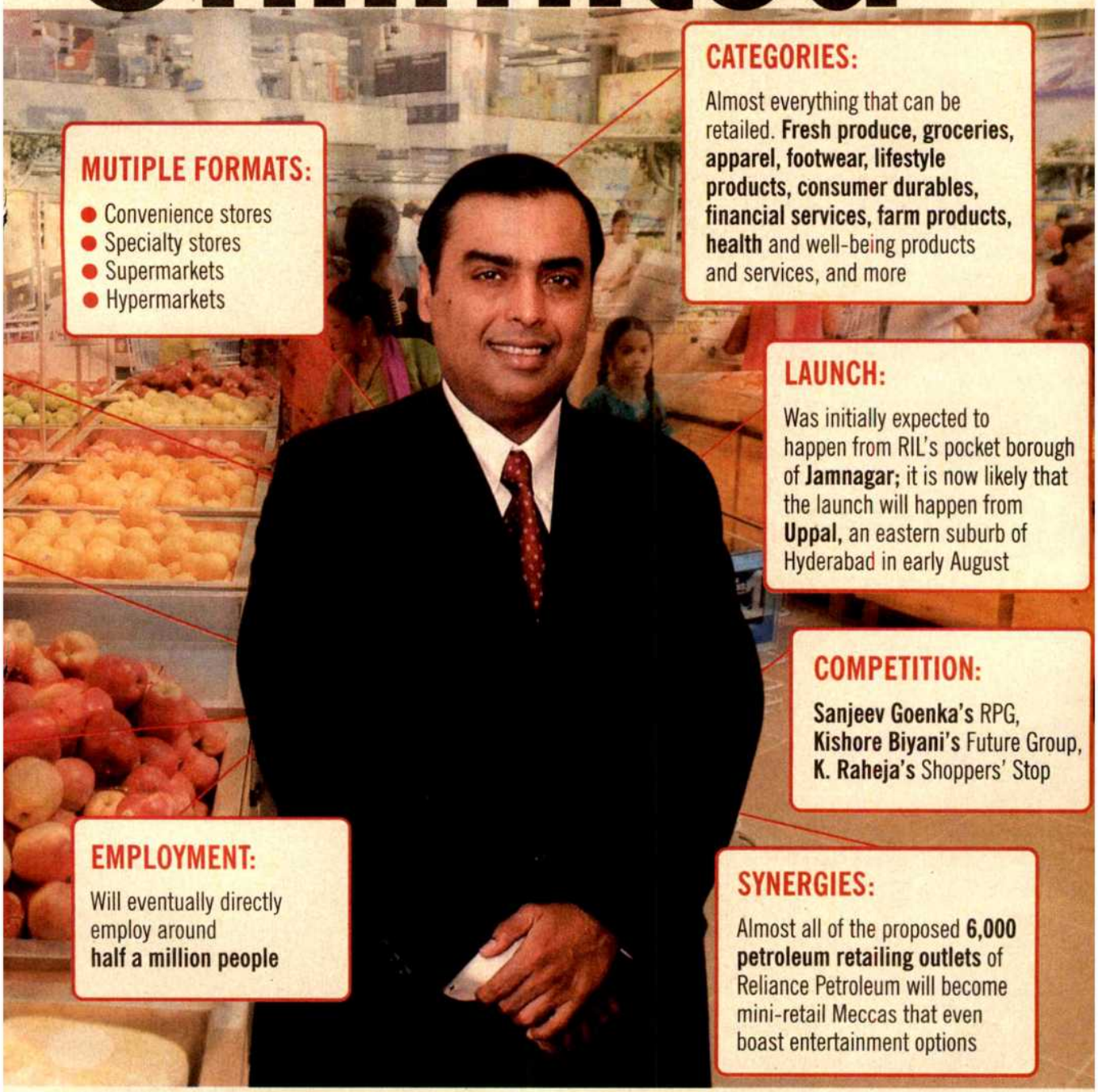
The best and the brightest from almost every sector.

EXECUTIVE	RESPONSIBILITY	PREVIOUSLY WITH
Raghu Pillai	Front-end	Pantaloon Retail, and before that, RPG's retail business
Sriram Srinivasan	Apparel and clothing vertical	Indus League (which he founded)
Rajeev Karwal	Consumer durables vertical	Electrolux Kelvinator
Bijou Kurien	Lifestyle vertical	Titan
K. Muralidhara	Financial services vertical	American Express
G. Sankar	Footwear vertical	Lifestyle
D. Saravanan	Supply-chain and quality	McDonald's
Sanjeev Asthana	Oil seeds and grains	Cargill India
Suresh Singaravelu	Mall management	Prestige Constructions
Gunender Kapur	Foods and grocery vertical	Unilever, Nigeria





Unlimited



MUTIPLE FORMATS:

- Convenience stores
- Specialty stores
- Supermarkets
- Hypermarkets

CATEGORIES:

Almost everything that can be retailed. **Fresh produce, groceries, apparel, footwear, lifestyle products, consumer durables, financial services, farm products, health** and well-being products and services, and more

LAUNCH:

Was initially expected to happen from RIL's pocket borough of **Jamnagar;** it is now likely that the launch will happen from **Uppal,** an eastern suburb of Hyderabad in early August

COMPETITION:

Sanjeev Goenka's RPG, **Kishore Biyani's** Future Group, **K. Raheja's** Shoppers' Stop

EMPLOYMENT:

Will eventually directly employ around **half a million people**

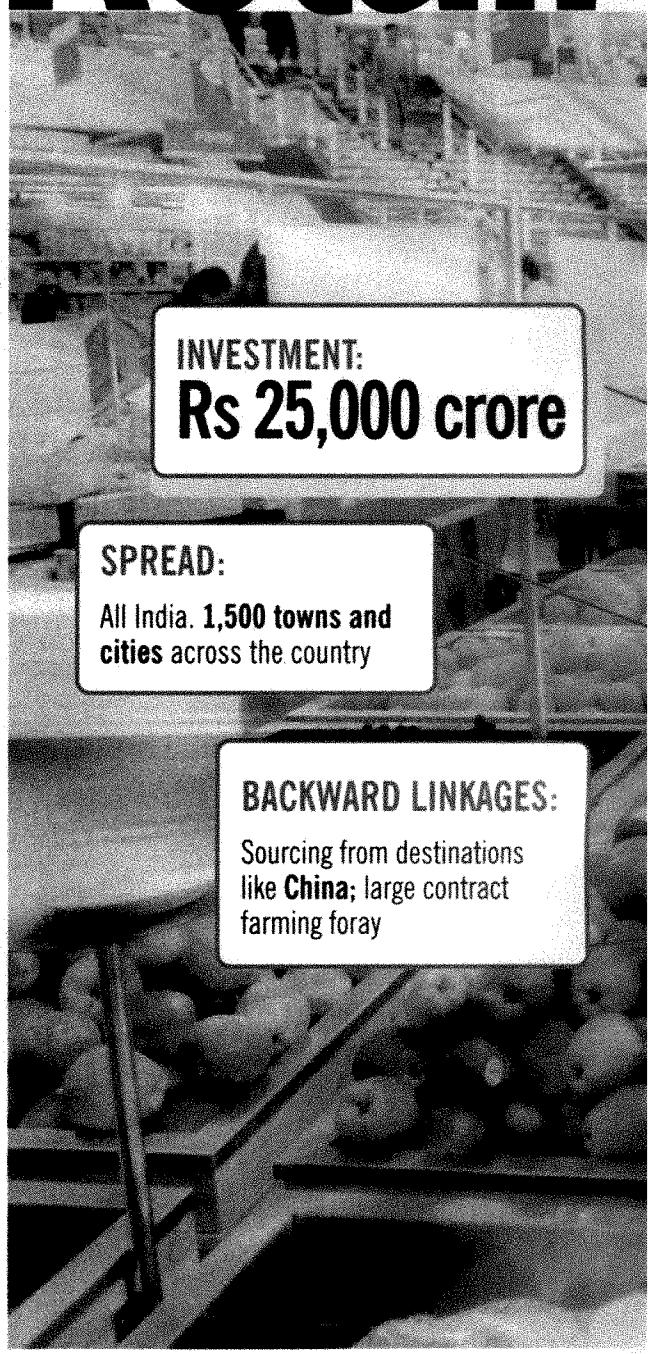
SYNERGIES:

Almost all of the proposed **6,000 petroleum retailing outlets** of Reliance Petroleum will become mini-retail Meccas that even boast entertainment options

RELIANCE Retail

Mukesh Ambani wants middle-class India to go shopping. And he is spending Rs 25,000 crore to ensure that it does that in 1,500 locations around the country.

KRISHNA GOPALAN



UPPAL ISN'T A NAME ANYONE SHOULD KNOW. yet, it is at this suburb of Hyderabad that most eyes in the organised retail business—oh, yes, they know—are trained. This very middle-class neighbourhood is believed to be the place from which Reliance will launch its pan-Indian retail play (Mukesh Ambani, Chairman, Reliance Industries, would not speak to *Business Today* on this, or respond to a questionnaire).

The first week of August is when the first store, the one in Uppal, is expected to open. Within three weeks, the city of Hyderabad will have 20. From there, Reliance Retail, a 100 per cent subsidiary of Reliance Industries will move to Vijayawada, Guntur, Warangal, Tirupati, and Vizag. And from there, or perhaps even before that, it will launch its stores, in a combination of formats from convenience stores (or *kirana* stores as they are popularly called in India) to supermarkets to specialty stores to hypermarkets, in other states. The objective: to be present in 1,500 towns and cities across the country.

There's no timeline that has been put down for this effort, but given that the company in question is Reliance, it will likely be sooner than expected. Ambani himself hinted at the company's late-June Annual General Meeting (AGM) of shareholders that 2009-10 will be the next big year for Reliance. Reading between the lines, that could mean that the retail offensive (for it is nothing short of that) would have reached significant scale by then. "Organised retailing will be an overarching theme of the expansion and growth of Reliance in the near-term future," said Ambani at the AGM. The cost to company: Rs 25,000 crore over the next few years, of which Rs 10,000 crore will be equity.

If everyone is taking Ambani's words that this "transformational initiative at organised retailing will have a profound impact on the socio-economic life of our people" at face value, it is because of the company's and the man's track record. While Reliance Industries and Reliance Petroleum have consistently given new

ONE MISSION

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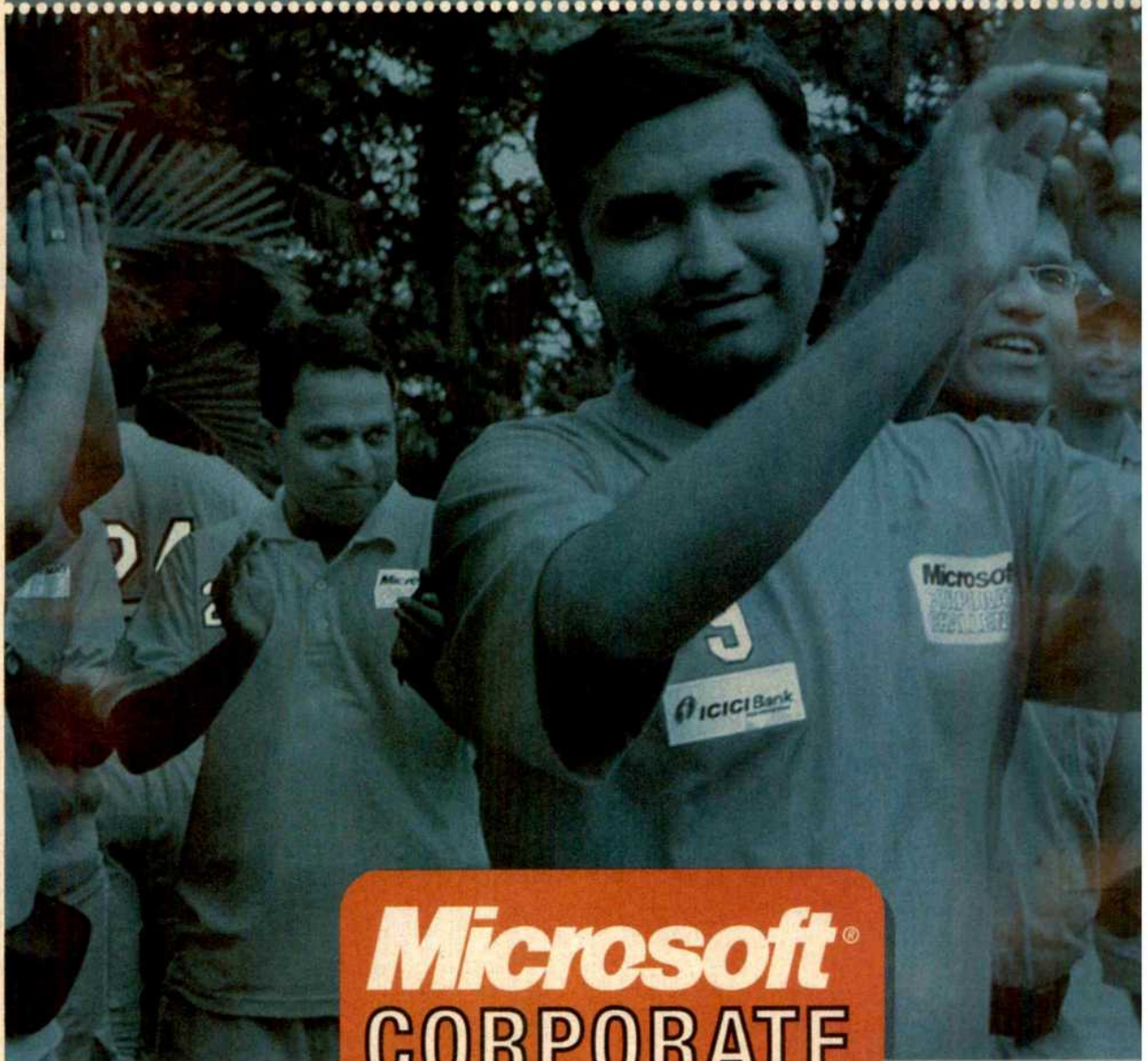

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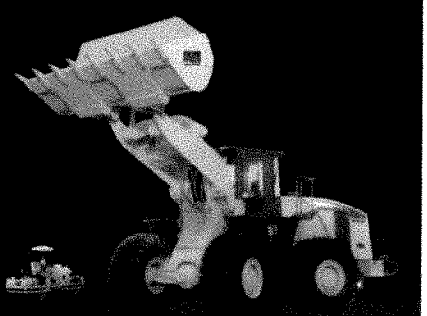

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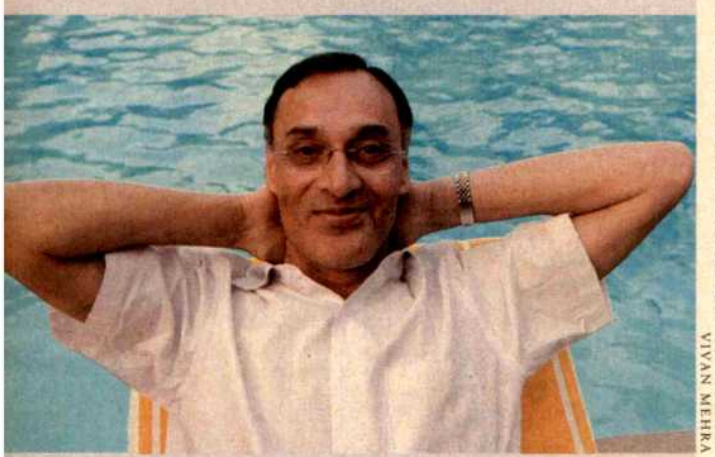
TIRUPUR'S PARTNERSHIP MODEL

The small town is experimenting with a public-private partnership model that has drawn both praise and flak.

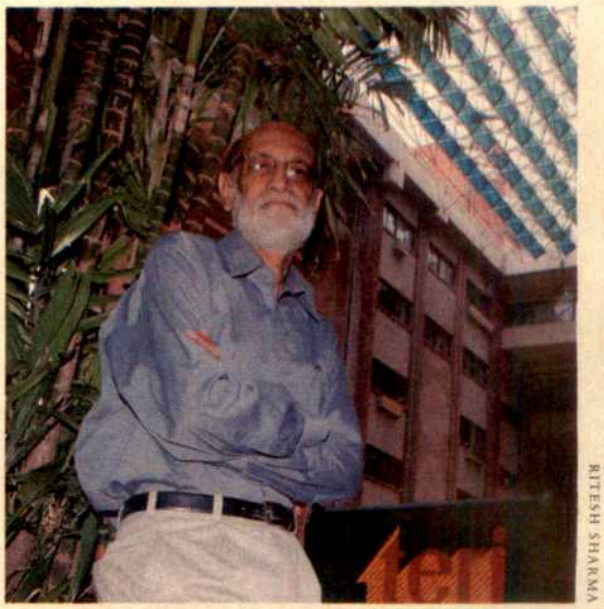
HISTORICALLY, TIRUPUR, THE HUB OF INDIA'S KNITWEAR industry, relied on groundwater and tankers to cope with its water deficit. However, partly due to industrial pollution (chemical dyes), the groundwater became more and more saline and contaminated. By the late 90s, the industry and Tirupur residents were sourcing water from a growing radius of 50 km. To tackle the problem, the Tamil Nadu Water Investment Co. (TWIC) was set up in 2001 as a joint venture between the state government and infrastructure finance institution, IL&FS. Around the same time, the New Tirupur Area Development Corp. Ltd (NTADCL) was formed as a special purpose vehicle and project sponsor. Tirupur municipality along with the Tirupur Exporters Association pitched in, apart from the World Bank and USAID. Eighteen wayside villages were also drawn into the project and, interestingly enough, the villagers were willing to pay from Day One.

Today, the Rs 1,023-crore water project, which will ultimately supply 185 million litres of potable water, has brought some relief to the town. But there are hiccups. Some industrial units are refusing to pay the asking price of Rs 45 per kilolitre of water, since tankers cost only Rs 30 a kilolitre. (Under differential pricing, retail consumers in Tirupur pay Rs 5 and wayside villages, Rs 3.50.) But Sameer Vyas, NTADCL's Managing Director, is hopeful: "The project will stabilise in another year or so." The project won't resolve the water problem for the whole of Tirupur and it may well continue to face resistance. But the fact is, it has demonstrated that even relatively poor consumers are willing to pay for water, as long as it is both safe and reliable. It's a matter of time before industry sees logic in it.



VIVAN MEHRA

Price is the key: NTADCL's Vyas has a tough job ahead of convincing industrial units to pay the agreed price



RITESH SHARMA

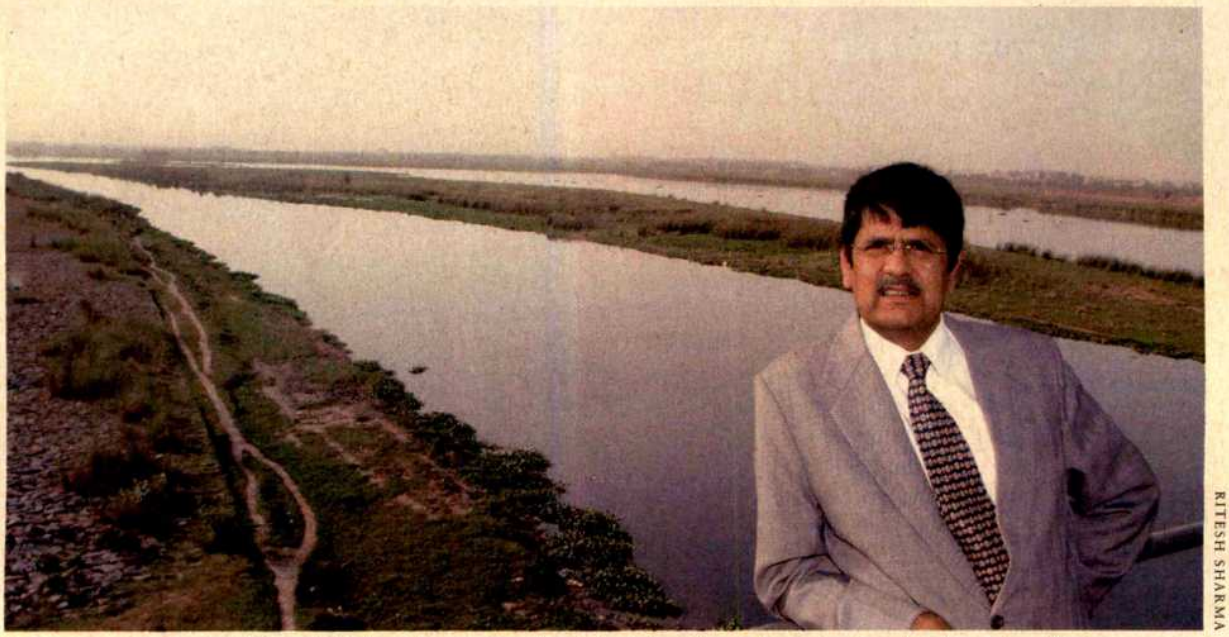
Numeric problem: TERI's Jaitly estimates the per capita figure has come down by a fifth in less than 10 years

hire these," says Promod Mitroo, Director, Veolia Water (India). Purely public sector efforts by urban local bodies have proved inadequate because of their financial weakness. While the National Urban Renewal Mission is expected to help in this regard, the answer may well be public-private partnerships like in Tirupur (see *Tirupur's Partnership Model*).

Water Reforms

Water is a complex issue with many moving parts. Any attempt at reforms, say experts, must consider everything from the way a society treats its sources of water and the manner in which the resource is managed (see *Interlinking India's Rivers*) and then priced. Obvious gaps in the current policy include the role of groundwater mining, then the roles of various government agencies at the federal, state and local levels, and finally the role of the private sector in ensuring India's water security. But the fact that water is a state subject makes national-level plans such as the National Water Policy 2002 more a bland statement of intent than a blue print for water security.

Adding to the confusion is the fact that there are no dedicated regulatory structures for water. Ultimately, "there needs to be a good, solid policy that deals with water through the entire ecological cycle, and not just using water equitably between rural and urban users and then between the rich and the poor in urban areas", says Ramanathan. The sooner India puts such a policy in place the better. Otherwise, scenes like the ones coming out of Mumbai and Vidarbha will continue to mock at us and threaten our growth. ■



RITESH SHARMA

Plenty around: Veolia Water (India)'s Mitroo is convinced that there's no shortage of water, but only skills

cent of all water consumed in the country. Industry takes out just 7 litres out of every 100, and retail consumers even less at 4. Agriculture, unfortunately, is also one of the most inefficient users of water. Irrigation is still conducted through a canal system that is more than a century old, and since most of the canals in use are unlined, nearly 40 per cent of the water channeled into them is lost due to seepage, points out J.S. Samra of the Indian Council for Agricultural Research (ICAR).

In cities and villages, the issues are different. In urban areas, the existing user charges are inadequate even to cover the operation and maintenance costs of the utilities, never mind the sunk cost. In other words, while water in itself may be free, consumers have to pay for the pipes that carry the water and the treatment plants that clean it. But since water is a politically-sensitive issue, no public utility dare raise charges. In rural India, drinking water problem is relatively small and more location-specific. Yet, rural schemes such as the World Bank-funded Swajaldhara are designed to pass on a part of the cost to the participating communities.

Normally, the answer to public sector ills is privatisation. Profit-driven corporations are better employers of capital than government agencies. So, is privatisation the answer to India's water woes? It doesn't seem so. Part of the problem stems from the fact that water, unlike cars or soaps, is seen as a fundamental right. Therefore, non-supply of water for non-payment of bills has health, safety and moral implications. Countries such as France have coped well with privatisation, but most others, including Bolivia, Argentina, and Mexico, have had dismal experiences. Why, Atlanta, in the thick of capitalist America, had to terminate a 20-year, $428-million water privatisation contract after four years of experimentation, marked by losses and supply problems. "Since private players are propelled by the profit motive, there is a legitimate debate about the possibility and opportunity for monopoly," says Ramesh Ramanathan of Bangalore-based NGO, Janaagraha.

Some of the arguments against privatisation of water are no doubt valid. But often, such contentions pre-empt meaningful discussions over issues like water quality, maintenance of infrastructure and rational user charges. One example is Delhi Jal Board's (DJB) pilot project to supply pressurised water round-the-clock in two zones in Delhi. The project, called 24x7, was grounded last year by its opponents not because they thought it was a bad idea, but because the World Bank and some foreign advisors were involved in it.

Despite DJB's bad experience, efforts at privatisation are on elsewhere in the country. France's Veolia Water is doing a small pilot project in Chennai with some 1,500 households, and the Karnataka government is trying out a combined project in the three cities of Belgaon, Hubli-Dharwad and Gulbarga, with Veolia being responsible for 10 per cent of the water supply in each of the towns. Jamshedpur, where a Tata Group company manages water supplies, is possibly the best example of water privatisation in India. But then the township was always privately managed, making it easier for the Tatas to rope in Veolia (earlier Vivendi) as a partner. "There is no shortage of water. There is only shortage of skills, but the government can easily

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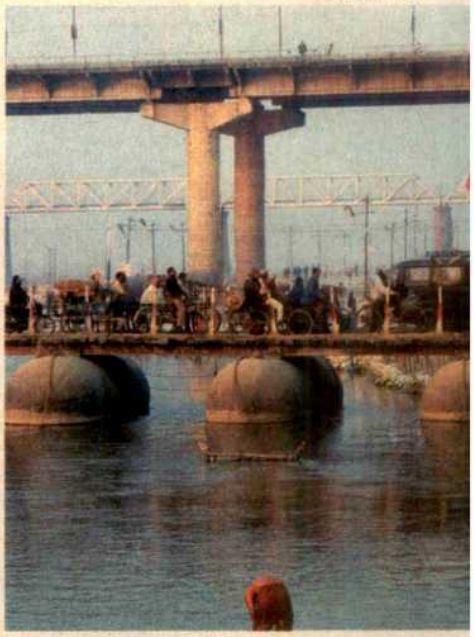
INTERLINKING INDIA'S RIVERS

It's an old idea stymied by ecological concerns and prohibitive costs.

THE IDEA OF INTER-LINKING INDIA'S MAJOR RIVERS WAS FIRST MOOTED BY ARTHUR Cotton way back in 1881, and has since been advocated sporadically by others, including engineer-statesman M. Visvesvaraya. The plan basically involves diverting water from surplus areas to deficit ones by harnessing rivers in the Himalayan basin and the Peninsular basin. The plan was recently revived when the Supreme Court in October 2002 ordered that the project be completed in the next 12-15 years. A task force formed to examine the feasibility of the project submitted its report in 2004. However, the estimated cost of Rs 5,60,000 crore is not the only prohibitive factor. The project will have an ecological impact that may be difficult to predict, believe some scientists. The hydrological, drainage patterns for the entire country could change. Besides, the project must address the concerns of neighbouring countries such as Bangladesh, Nepal and Bhutan, who fear that their rights to the rivers flowing through their territories may also be affected. For the moment, the UPA government has decided to go ahead with an inter-linking plan focussed on the peninsular rivers. But that's not to say India will have inter-linked rivers soon.

SHOME BASU



Troubled waters: Everyone loves Ganga

their livelihoods depend on it. The spate of farmer suicides in the drylands of Vidarbha, for instance, is largely due to failed rains and a lack of alternative water supply for irrigation.

Expect the situation to get worse. According to a Green India study done by TERI (The Energy & Resources Institute), the per capita availability of water in India has declined from 6,000 cubic metres in 1947 to 2,300 cubic metres in 1997 (the latest available figures). But TERI's Distinguished Fellow, Ashok Jaitly, says that it's almost certain the figure has come down further over the last nine years to around 1,800 cubic metres, simply because of population growth. Meanwhile, in contrast, the demand for water is soaring. Merely looking at the supply figures won't tell you the real story because, on paper, India's total annual supply of usable water stands at 1,086 billion cubic metres, which is enough to meet the growing demand as far into the future as 2040. The problem, however, lies in getting this water to consumer taps.

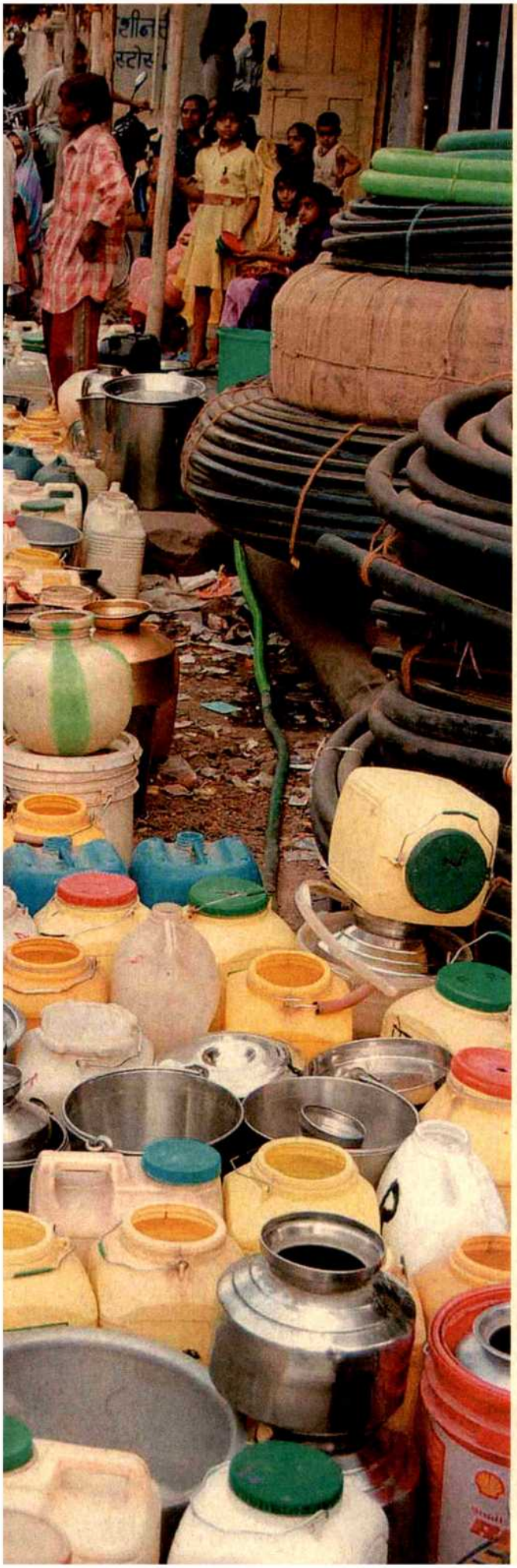
SHAILESH RAVAL

Supply crunch: The answer lies in rainwater harvesting

If the situation seems paradoxical in a country that has more rivers than most other countries, blame it on uneven distribution of water sources (see *Water, Water Everywhere?*). India receives around 4,000 cubic kilometres of precipitation annually, but 50 per cent of it is received in just 15 days and more than 90 per cent of the river flows take place in just four months. Poor storage facilities, then, make matters worse. For instance, India can store only 200 cubic metres of water per person, compared to 5,000 cubic metres in arid, but developed, countries such as the United States and Australia. Says Montek Singh Ahluwalia, Deputy Chairman, Planning Commission: "In the medium term, water is the single-most important resource for India. One can import oil if one runs out of oil, but you can't import water."

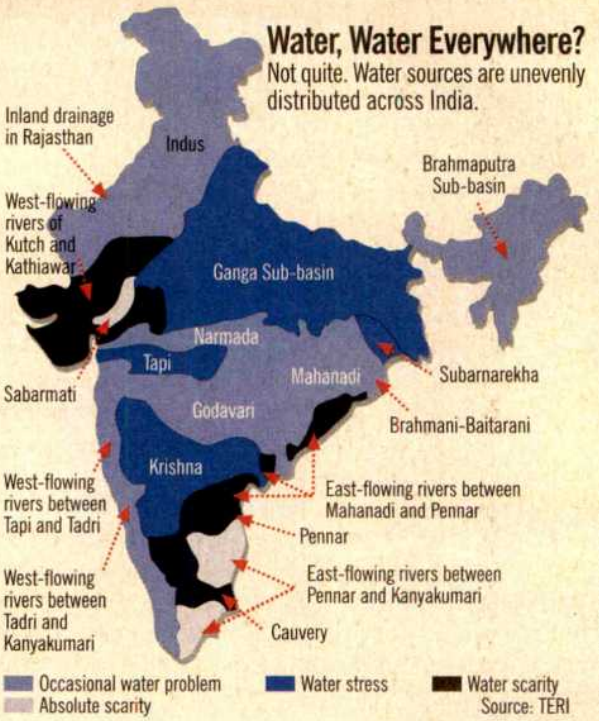
Privatise Water?

Ahluwalia says that water constraint is already affecting the Indian economy, and farmer suicides are happening because in the past there has not been enough investment in water infrastructure. Just to put things in perspective, agriculture accounts for a staggering 85 per



Water, Water Everywhere?

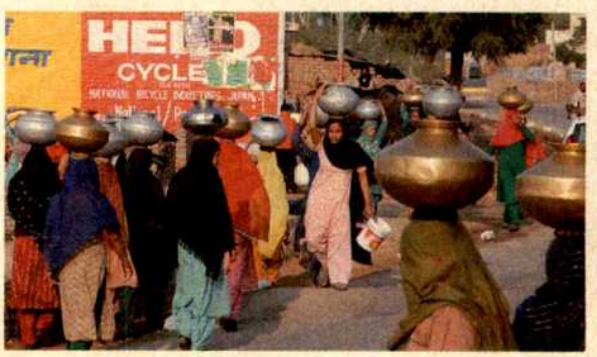
Not quite. Water sources are unevenly distributed across India.



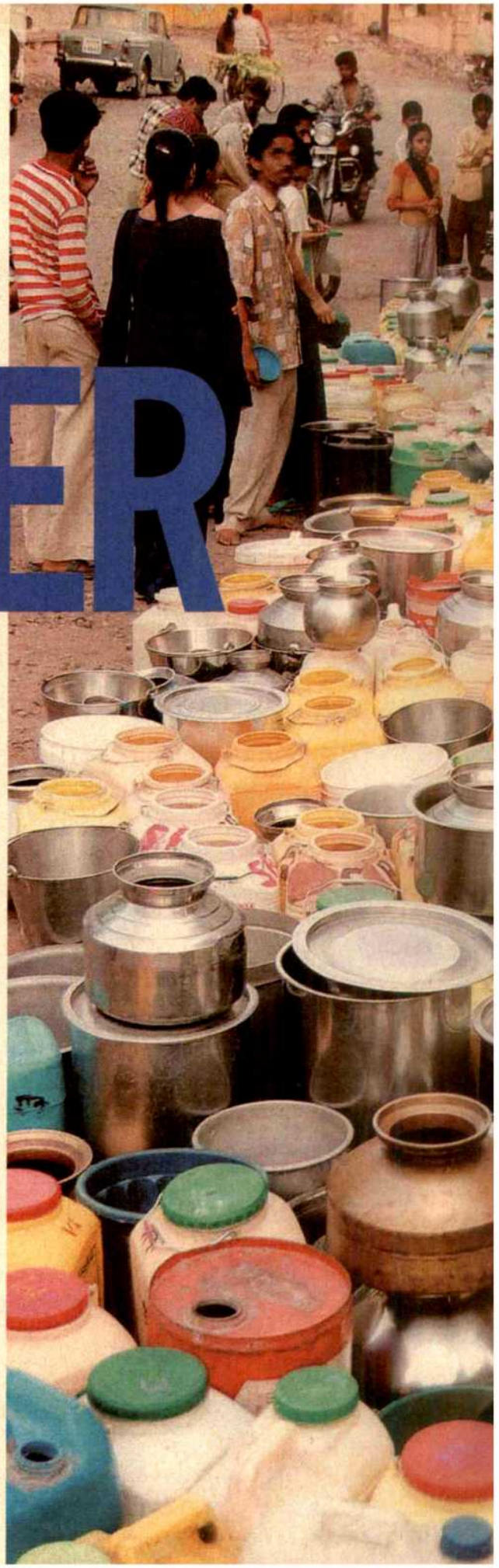
GRAPHICS BY PINAKI PAUL

WATER FACTS

- India's rainfall pattern is highly seasonal, with **50 per cent precipitation falling** in just 15 days and over 90 per cent of the river flows taking place in just four months
- India's dams can store only **200 cubic meters per person,** compared to 5,000 in the US and 1,000 in China
- To halve the number of people with no access to drinking water, India will need to invest **0.55 per cent of its GDP** on water schemes between 2007 and 2017
- India has some **20 million private tube wells** and this number is increasing by some 1 million every year
- In Punjab, India's bread basket, the water table continues to **fall every year by half-a-metre**; in Delhi, by more than half-a-metre in certain zones



RUNNING OUT OF WATER



For millions of poor in India's cities and villages, it is already a daily reality. But with consumption soaring and little being done to boost supply, water threatens to become a nation-wide crisis, affecting agricultural production and industrial growth.

SHALINI S. DAGAR

IT'S AN IRONY THAT IS DRIVEN HOME WITH UNFAILING regularity every year. Like at present. Even as large parts of the country—including coastal Orissa, Andhra Pradesh, Kerala, West Bengal and, of late, Mumbai—reel under excessive rains, there are other places (think interior parts of Rajasthan, Andhra, Tamil Nadu, Karnataka and Punjab) that remain bone dry. Here, growing a crop, feeding your livestock or even quenching your thirst is an everyday challenge.

The stark scenario is, of course, a pointer to everything that's wrong with the country's water management. Despite having more than 128 big and small rivers and four months of monsoon, India is a water-scarce nation. In most cities, municipal water supply to approved neighbourhoods is limited to a few hours every day, while those who live in slums or poorer boroughs must depend on private water tankers or tube wells. For farmers, water is an even bigger issue, since

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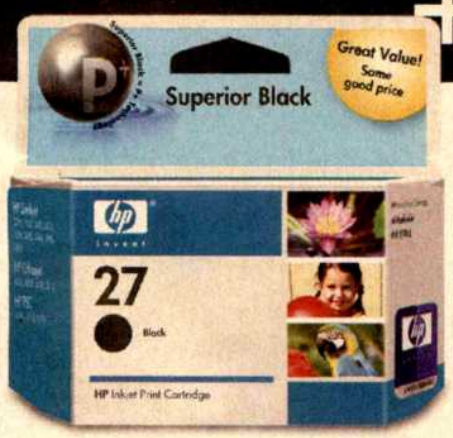

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The A team: (From L-R) Ulhas Yargop, President (Telecom & Software); Raghunath Murti, Managing Director, Mahindra Intertrade; Anjanikumar Choudhari, President (Farm Equipment); Hemant Luthra, President (Systems & Technologies); Pawan Goenka, President (Automotives); Uday Phadke, President (Finance, Accounts & Legal Affairs); Arun Nanda, Executive Director & Company Secretary and President (Infrastructure Development); Anand Mahindra, Vice Chairman & MD, M&M; Bharat Doshi, ED (Finance & Corporate Affairs) and President (Trade & Financial Services); Rajeev Dubey, President (HR & Corporate Services)

financial whiz Doshi, fixed two financial targets: of free cash flows and return on capital. The company will not divulge the actual numbers for competitive reasons, but what officials do reveal is that the three-year target was met in the first year itself. *Numero uno* positions in tractors and utility vehicles (UVs) is a well-known story, but it's the strides towards leadership taken by the subsidiaries that highlight the focussed approach towards growth at the group.

Consider, for instance, Mahindra Finance, a leader in rural financial services, which began life complementing the tractors and UVs business by financing these vehicles in rural areas. Soon it was enabling purchases of non-Mahindra, non-competing vehicles. So much so, today 30 per cent of the balance sheet is made up of non-Mahindra vehicle financing. Now, as Doshi points out, Mahindra Finance is moving into its second phase of growth, by leveraging its 300-strong branch network in rural and semi-urban areas to diversify into non-vehicle financial services. Mutual fund distribution, rural housing finance and micro-finance, in that order, are three services that will roll out. General insurance broking is one recent activity. "We earned a Rs 2.88 crore profit from our insurance brokerage venture in 2005-06, being the first full year of its operations," says Doshi.

The Big Picture

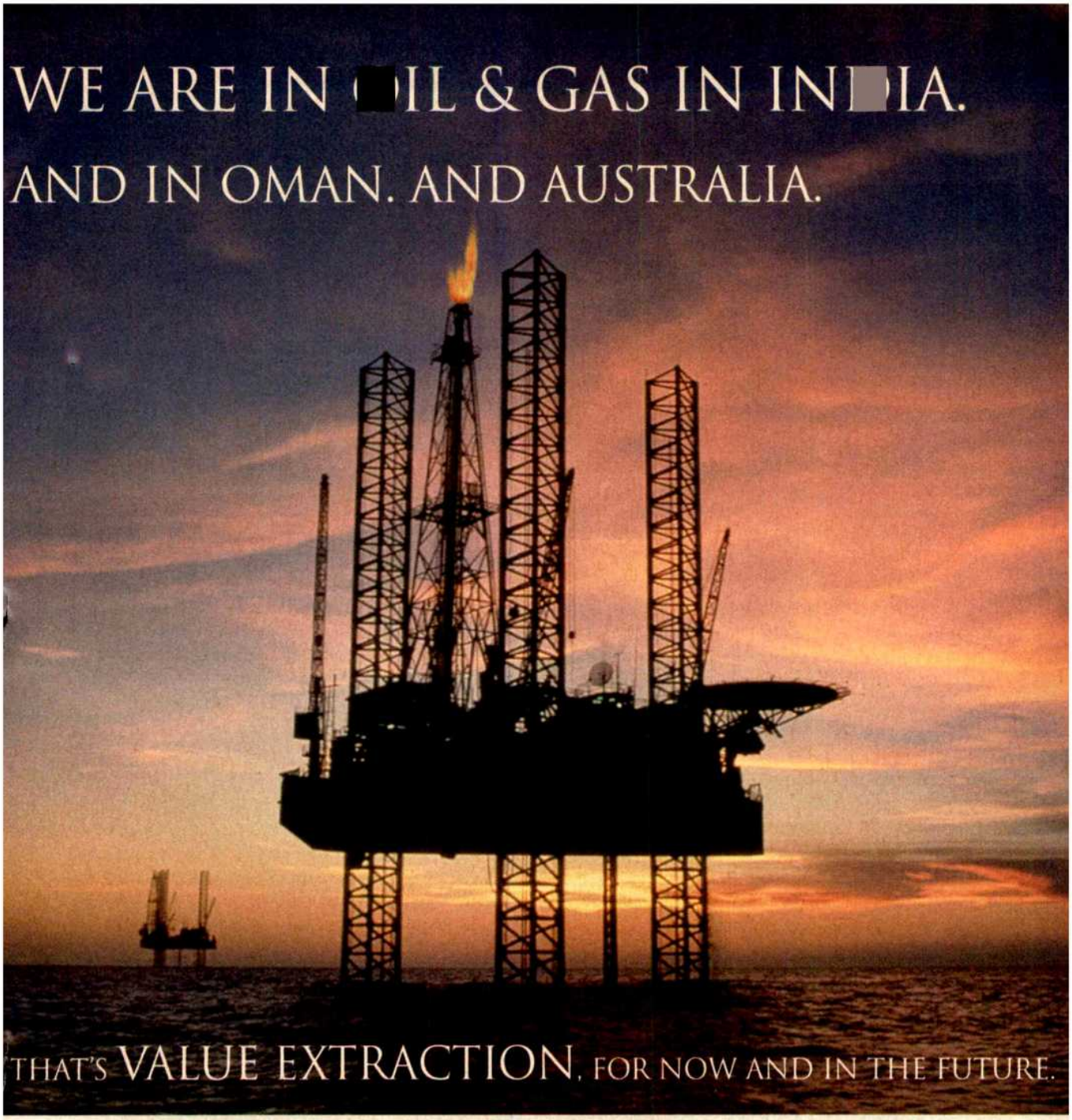
The big picture couldn't be better, but for the man who's survived three recessions, a downturn is inevitably factored in his mind's deep recesses. "I would argue that all these businesses now have reached a point where even if there as a downturn, we would do extremely well at managing and coping," says Mahindra, who points to the "margin of safety" concept—the gap between breakeven levels what M&M operates at, to put it simplistically—introduced by Doshi. "So, when the downturn comes, we'll still have headroom to move," adds Mahindra. At 51, he points out that's not "personal wealth, or sheer size, or asset-building" that's driving him. Profits and market cap? Of course. But the biggest fire burning in his belly pertains to being globally relevant. "When the Mahindra brand is the best-known Indian consumer brand in the US (at least in the south, and in rural areas), when John Deere considers you their #1 threat in the world, that gives immense satisfaction." That quest for global relevance may have only just begun, but it has kicked off with substance and in style. ■

RISING STAR

How the Mahindra Group stacks up against India's biggest business families.

GROUP	YEAR ENDED MARCH 2002		YEAR ENDED MARCH 2006		MARKET CAPITALISATION	
	NET SALES	PROFIT AFTER TAX	NET SALES	PROFIT AFTER TAX	JUNE 28, '02	JUNE 30, '06
TATA	32,750.35	2,340.57	69,701.42	9,675.99	24,332.46	1,95,701.85
M. AMBANI	27,991.62	2,933.19	90,288	10,109.59	32,269.74	1,80,359.25
A. AMBANI	3,227.52	392.31	4,676.34	1,219.86	3,896.13	61,831.43
ADITYA BIRLA	12,879.33	1,394.49	24,448.53	2,954.7	10,939.69	52,752.85
STERLITE	4,521.49	238.14	12,464.96	2,052.99	2,214.21	47,578.24
BAJAJ	5,157.59	429.88	11,344.96	1,428.52	5,509.36	35,761.43
MAHINDRA	3,739.33	93.13	9,647.97	1,047.55	1,427.33	19,165.18

Figures in Rs crore. The numbers for Mukesh and Anil Ambani have been arrived at on the basis of the settlement that took place last year; in 2002, the Anil Ambani group did not exist. Single company promoters like Azim Premji and Sunil Mittal have been excluded, as have been unlisted companies of the business families listed Source: CMIE Data compiled by Mahesh Nayak



• India's largest crude oil extraction venture in the private sector • Extraction of Oil at Ravva oil field off the coast of Andhra Pradesh with Cairn Energy of UK • Reserves of over 250 million barrels, producing 50,000 barrels of oil per day • Assigned exploration blocks in Australia, Oman and other parts of the world, with world leaders in oil & gas • India's No. 1 Consumer Electronics and Home Appliances Company with a market capitalistion of more than USD 2 Billion.

COME. DISCOVER THE VALUE.

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Creating value: President (Telecom & Software) Yargop says the IPO will create currency for acquisitions

a property one (as it is perhaps for many with SEZ plans). The M&M Group, for its part, has experience in putting up SEZs in public-private partnerships, having done so in Chennai. It wasn't easy, and it's taken all of eight years to get the integrated township Mahindra World City (that's what it's called). "It's been tough, but satisfying," says Nanda. Mahindra World City today has marquee clients like Infosys, BMW and Braun, and Nanda foresees a smoother ride with the other SEZs. In Jaipur, for instance, Nanda can breathe easier as he's found an anchor client—an imperative in filling up the SEZ—in Progeon from the Infosys Group.

Mahindra says in these times being asset-light is a virtue. Yet, the investments he has lined up aren't small beer by any yardstick. But as Bharat Doshi, Executive Director (Finance & Corporate Affairs), points out, M&M's financial strength is not an issue. "We have a surplus of roughly Rs 2,000 crore, having raised an FCCB (foreign currency convertible bonds) issue of $200 million (Rs 920 crore), plus Rs 1,000 crore of cash is on the balance sheet. What's more, we also have a substantial borrowing capacity as our debt-equity ratio is just 0.4:1."

Mahindra has various metaphors to describe the diversified, yet synergistic nature of the M&M conglomerate. It's been some time since he coined the concept of "aggressive venture capitalism", to describe his role as a promoter, which eschews micro-management and embraces empowerment (of the presidents of the various verticals). Of late, though, he's modified the VC analogy a bit. "We are also different from venture capitalists because VCs don't necessarily build. We build new businesses and have the conviction to stay with them." Mahindra also uses the imagery of a six-cylinder engine to illustrate how his verticals seamlessly harness synergies of managerial and manufacturing skills, finance and procurement horizontally. And then there's that chariot of thoroughbred horses fashioned by the aggressive VC, who ensures that the chariot moves faster than any one horse on its own.

Crafting A Success

It's taken an entire decade of painstaking craftsmanship to get that chariot in immaculate condition and racing. In 1994, Mahindra recalls being besieged by analysts, consultants and media hacks, all clamouring for focus. As Mahindra puts it, he was getting rather tired of being asked whether he wakes up in the morning and sells tractors, then jeeps in the afternoon, and software in the evening. "That's when I said: 'Okay, we will give you managerial focus.'" In the meanwhile, portfolio investors were calling for financial focus. Their short point: We do not need the company to make a portfolio for us. We will make our own portfolio. So, Mahindra decided that each of the businesses will have flagship companies, which could be invested in, rather than one huge jumble. "It might have taken long, but it's all coming together now. A lot of these companies when started in 1994 were nascent. Today, there is a propitious sort of convergence of critical mass being reached in a number of these companies. Combine that with a positive market sentiment and that's what is allowing us to live up to the promise made in 1994."

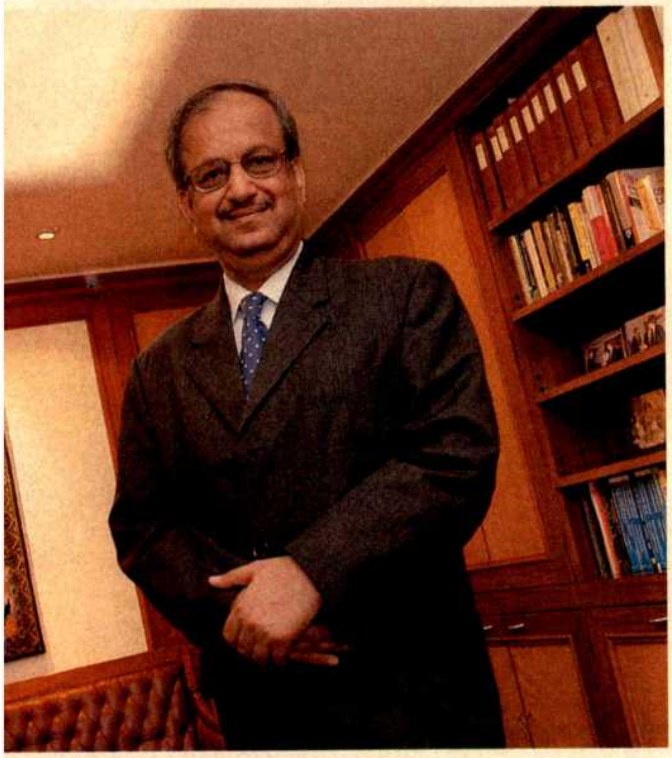
Just four years ago, it appeared as if those thoroughbred horses wouldn't get very far. The dismal prospects of these companies was reflected in the M&M stock price, which had hit a low of Rs 69 (as against Rs 600 today), and Mahindra's strategies of leadership and globalisation were looking distinctly hollow. That's when the top brass, led by the group's

GROWTH ENGINE # 4: TELECOM & SOFTWARE

Tech Mahindra is the flagship, but there's also SAP and supply chain consultant, Bristlecone.

YEAR	2005	2006
Revenues	Rs 945.64 crore	Rs 1,242.67 crore
Customers	45	62
BT:Non-BT ratio	80:20	68:32
Headcount	5,617	10,500

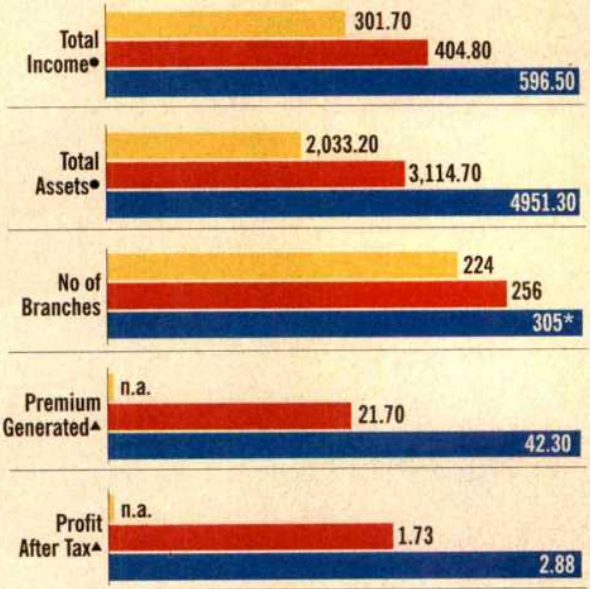
All figures are for Tech Mahindra



Margin of safety: ED (Finance & Corporate Affairs) Doshi is making sure M&M has headroom in case of a downturn

Growth Engine #3: Financial Services

Vehicle financing in rural India is the main business, but insurance broking is also contributing its mite.



Figures in Rs crore
• Total income and total assets are for Mahindra Finance
*As of March 31, 2006, the distribution network comprised four metro branches, 86 urban/semi-urban and 215 rural
▲ For Mahindra Insurance.
n.a.: Not applicable, as Mahindra Insurance had no operations then

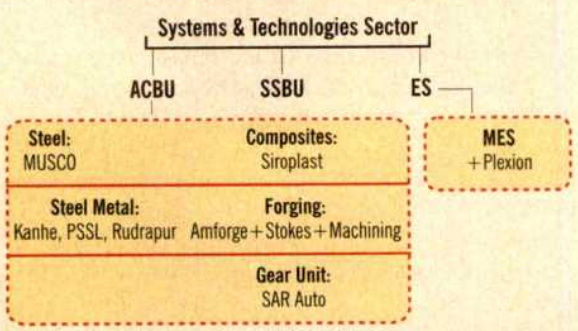
GRAPHICS BY FINAKI PAUL

figure will go up to $300 million (Rs 1,380 crore). And the fastest growth in profits is being registered unsurprisingly by Tech Mahindra—in 2005-06 that growth rate was 31 per cent on the topline and 130 per cent in profits over the previous year. "I have often told Pawan Goenka (Head, Automotives): Unless you're careful, you're not going to be the largest profit generator any more. Forget outside, there's great competition between the two of them to see whose bottom line is larger," quips Mahindra.

The race for market cap and profitability is backed by solid blueprints in each sector, with acquisitions, expansions into new geographies, and entries into new businesses making up key pieces of that growth game plan. For instance, Hemant Luthra, Head of the Systech sector, points out that market cap has more than doubled from $125 million (Rs 575 crore) to close to $300 million last year, on the back of acquisitions like Amforge and Stokes of the UK (in forgings), as well as Plexion (in engineering services). In three months, he expects to be up to $500-600 million (Rs 2,300-2,760 crore) with an acquisition in Europe. "With the inorganic moves that we will make, the next huge value creator post-Tech Mahindra's IPO could be the systems and technology sector," says Mahindra.

Growth Engine #2: Systems and Technologies

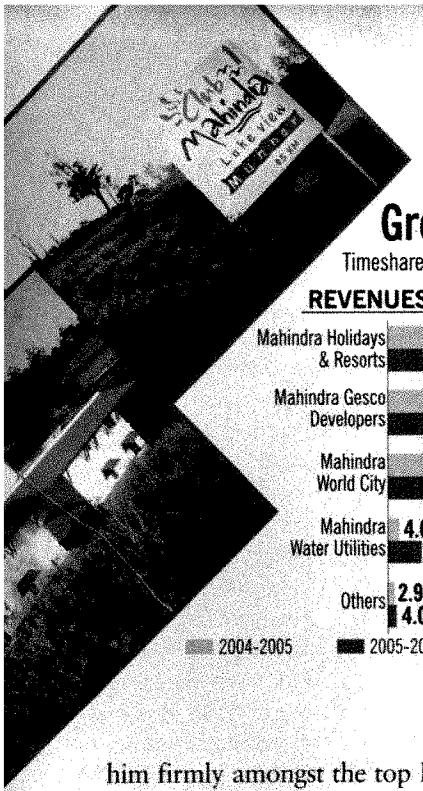
Auto components and engineering design are the focus areas.



ACBU: Auto component business unit SSBU: Strategic sourcing business unit
ES: Engineering Services Amforge, Stokes and Plexion are acquisitions

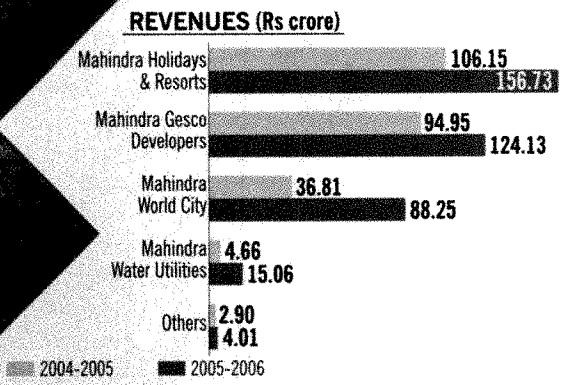
Betting Big On Infrastructure

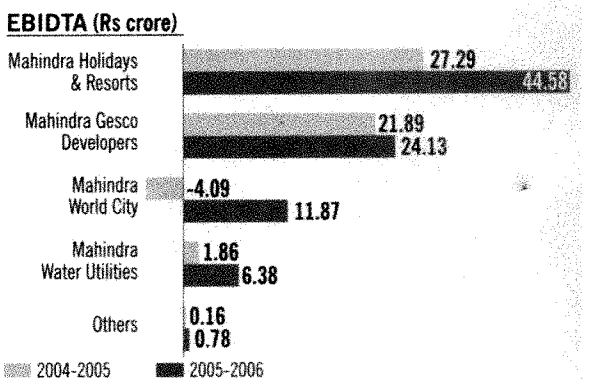
In the infrastructure development sector, the two companies gunning for growth are MHRL and Mahindra Gesco. Arun Nanda, Head of this sector, sees two opportunities for MHRL: One, acquiring resorts (typically of 100 units) in neighbouring countries, the Middle East, perhaps in China and certainly in the Alps. And on the timeshare marketing side, he wants to expand in the Middle East as well as in the US. But what easily excites Nanda these days are his grand ambitions for building SEZs in Jaipur and Pune, at a total outlay of Rs 5,000 crore. For him SEZs are an infrastructure play and not



Growth Engine #1: Infrastructure Development

Timeshare holidays, real estate development and infrastructure development are the primary cylinders.



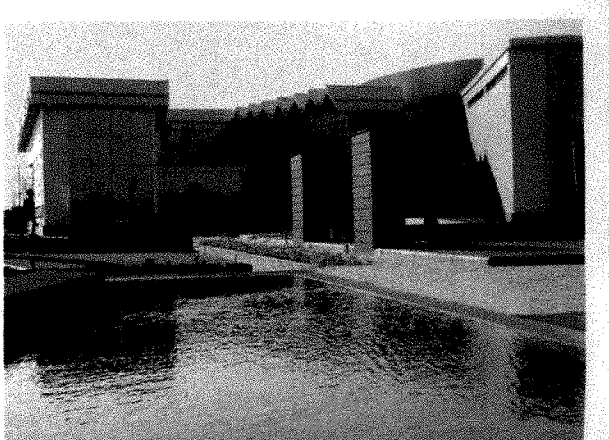


him firmly amongst the top Indian business families, behind the Tatas, the two Ambanis, the Aditya Birla Group, the Sterlite Group and Bajaj (see *Rising Star*). And, going by the number of companies that have reached critical mass (or are in the process of doing so), there is plenty more value waiting to be unlocked at this diversified conglomerate. Tech Mahindra, the IT play that focusses sharply on telecom service providers and equipment manufacturers, has lined up an initial public offering (IPO), which should be able to add a billion dollars to the group's market cap, say analysts. Says Ulhas Yargop, President (Telecom & Software), which also includes SAP & supply chain consulting company Bristlecone (and which analysts speculate could be a part of the Tech Mahindra IPO): "An IPO will enhance the brand image of Tech Mahindra, which will be useful in new customer relationships. Our employees who have stock options will be able to see the value that their efforts have created. It will also create a currency for inorganic transactions."

Following The IPO Route

The proposed IPO for Tech Mahindra follows in the footsteps of Mahindra Finance, which got listed early in the year, and now boasts a market cap of Rs 1,600 crore. Another company that will go for IPO in the not too distant future is Mahindra Holidays & Resorts (MHRL). In systems and technology (Systech, as its known within M&M), the demerger of an acquired forgings unit of Amforge Industries into Mahindra Automotive Steels will give the group another listed entity with a market cap of around $175 million (Rs 805 crore). And then there's the red-hot play in real estate/special economic zones or SEZs, Mahindra Gesco (market cap last fortnight: Rs 1,800 crore), which completes the picture for Dalal Street investors. Huzaifa Suratwala, auto and auto ancillary analyst at Emkay Share & Stock Brokers, says that on a target price of Rs 850, he would fix a value of Rs 300 on M&M's subsidiary businesses. "The profit contribution will sustain in the current year, although once the Logan (the mid-sized sedan in a JV with Renault) is launched, things could change, but only in the medium to long term," he adds.

True, Mahindra has two big-bang JVs ready to roll out cars and trucks and buses, with Renault of France and International Truck and Engine Corp. of the US, respectively. And in tractors, he continues to look for overseas acquisitions in a bid to challenge global #1, John Deere. Yet, some of his subsidiary businesses—"thoroughbred racehorses" he calls them—have king-size ambitions and opportunities of their own. The Systech sector, for instance, is chasing a sales and market cap of $1 billion (Rs 4,600 crore) by 2010. International Truck has committed to buying $100 million (Rs 460 crore) of auto parts from India, and this



Marquee clients: Infosys' campus in Mahindra World City

M&M's Hidden Jewels

The world knows Anand Mahindra's M&M for its tractors and utility vehicles. But guess what? A whopping 43 per cent of the group's profits come from other businesses. And tomorrow they may prove more valuable than M&M itself.

BRIAN CARVALHO

PHOTOGRAPHS BY UMESH GOSWAMI

WHEN ANAND MAHINDRA SET OUT ON A career with the Mahindra & Mahindra (M&M) Group in 1981, with Mahindra Ugine Steel Co. (MUSCO), it wasn't the best of times for the Harvard-returned scion to plunge into the family business. Demand for steel had ebbed and the industry was in the throes of a recession. For Mahindra, who joined as Executive Assistant to the Finance Director, the MUSCO stint was the proverbial baptism by fire. By the time he rose to President & Deputy Managing Director of MUSCO in 1989, Mahindra had survived another cyclical downturn. He joined the flagship tractor and automaker M&M in 1991 and guess what: The auto industry was struggling with poor demand conditions. "I have been through three recessions. Almost every time I started somewhere, there would be a downturn. I would ask myself: 'Why me?' But from the managerial perspective, it gave me a chance to prove myself. At M&M today, it's a cultural thing—when the going gets tough, M&M gets going."

At 51, the Vice Chairman & Managing Director of the Rs 12,000-crore conglomerate can look back on his stint at MUSCO with pride (and some relief). After all, it was at the specialty steels firm that he plotted the group's entry into areas like real estate development and hospitality management. Today, those are just two of his non-core businesses that are threatening to put M&M's flagship businesses of tractors and automotives in the shade. In fact, leave aside those two, and you'd realise that Mahindra's companies in infrastructure (like Mahindra Holidays and Mahindra Gesco), information technology (Tech Mahindra and Bristlecone), financial services (Mahindra Finance and Mahindra Insurance), systems & technologies (MUSCO and Mahindra Engineering Services) and trade (Mahindra Intertrade) pitched in with 43 per cent of the group's profits in 2005-06 (see *Not Just Tractors And The Scorpio*). "I sometimes pinch myself and wonder if this is for real. I can't think of any business or sector (in the group) that is not doing well. Our companies have reached a point where they are able to leverage the economy," says Mahindra.

That's perhaps why in four years Mahindra has been able to more than double his group sales, treble profits and—most importantly—create dollops of shareholder value by registering an almost seven-fold jump in market capitalisation of his seven listed companies (as per data from the Centre for Monitoring Indian Economy). It also propels

NOT JUST TRACTORS AND THE SCORPIO

The non-auto businesses account for 43 per cent of the group's profits.

IT

BUSINESS: Tech Mahindra

M&M'S SHAREHOLDING (%)	2005-06 NET PROFIT (RS CRORE)
56.62	254

INFRASTRUCTURE

BUSINESS	M&M'S SHAREHOLDING (%)	2005-06 NET PROFIT (RS CRORE)
Mahindra Holidays	99.99	20.8
Mahindra Gesco	55	11
Mahindra World City	100	2.14
Mahindra Water Utilities	50	4.07
Mahindra Acres Consulting	51	N.A.
Mahindra Infrastructure Developers	44	0.45

FINANCE

BUSINESS	M&M'S SHAREHOLDING (%)	2005-06 NET PROFIT (RS CRORE)
Mahindra Finance	67	108
Mahindra Insurance	97.26	2.88

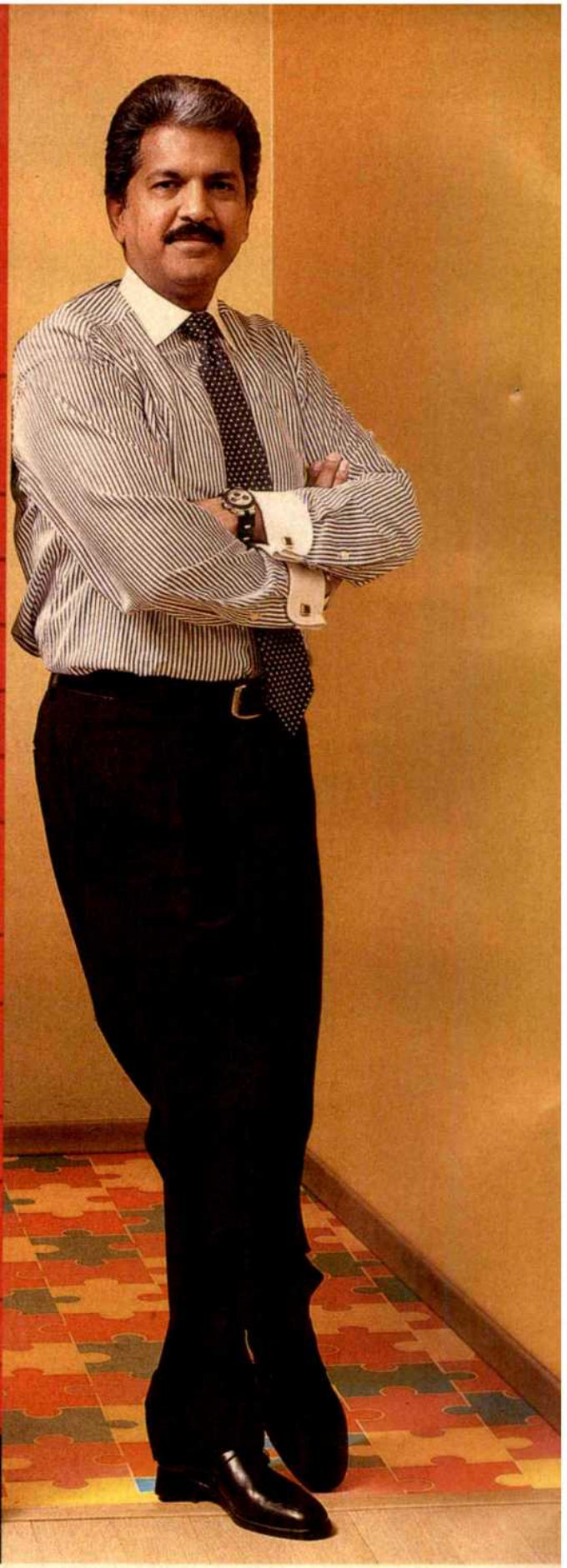
SYSTEMS & TECHNOLOGIES

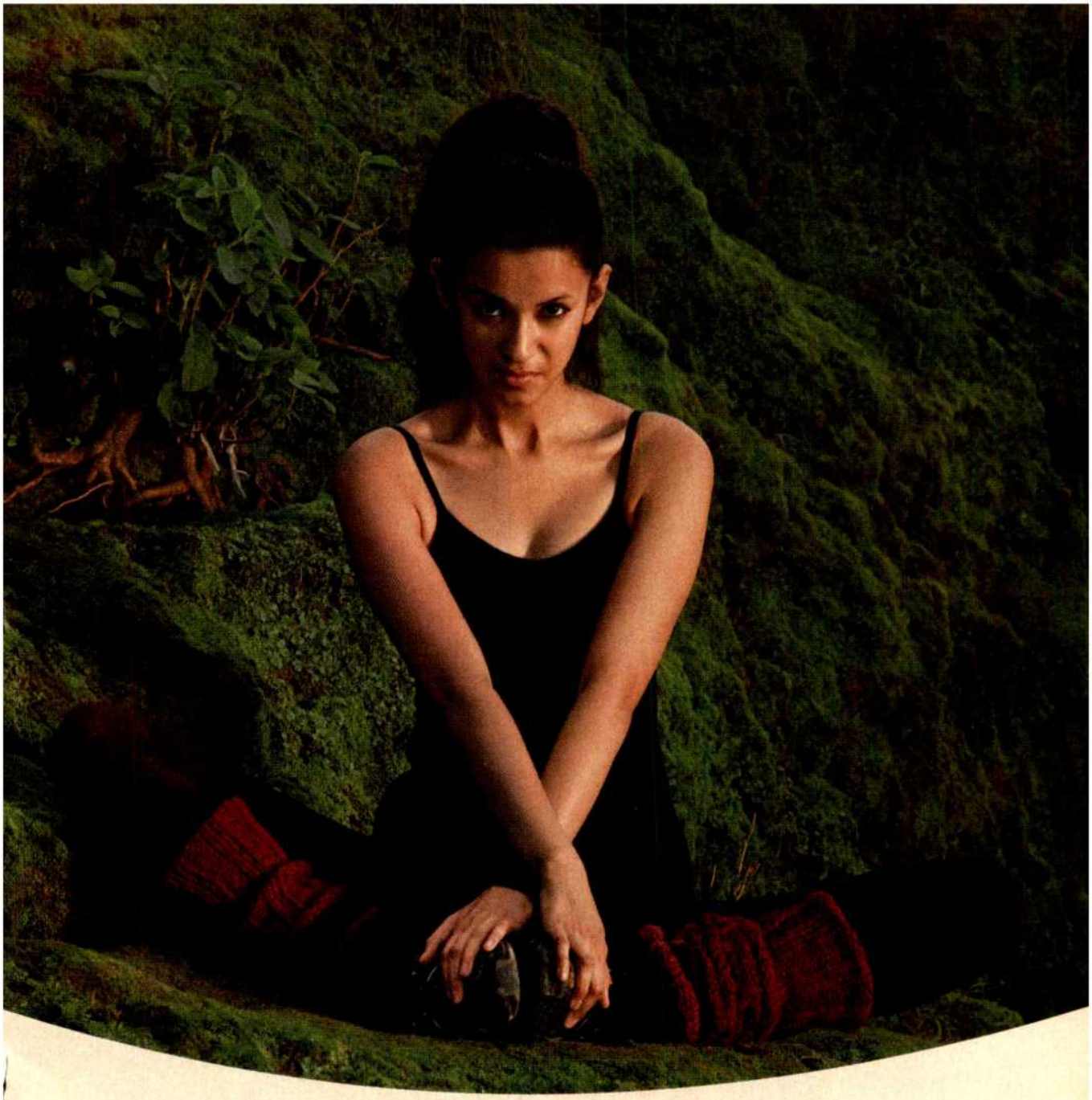
BUSINESS	M&M'S SHAREHOLDING (%)	2005-06 NET PROFIT (RS CRORE)
MUSCO	49.28	65.06
Mahindra Engineering Services	100	8.64

TRADE

BUSINESS	M&M'S SHAREHOLDING (%)	2005-06 NET PROFIT (RS CRORE)
Mahindra Intertrade	100	25.1
Mahindra Steel Service Centre	61	3.99
MMEESS	100	1.02
TOTAL		**507.40**

Source: Company/ Emkay Research N.A.: Not available
MMEESS: Mahindra Middle East Electronic Steel Service Centre





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Commerce Secretary S.N. Menon.

Indian industry lobbies such as CII are not only pushing for higher rates, but also for a reduced pace of implementation of these rates. Says R.V. Kanoria, Chairman, CII's national committee on WTO, "The industry wants a higher coefficient rate of at least 30 per cent for the developing world—higher the coefficient, lesser the burden that the developing countries bear." To the uninitiated, the coefficient is a factor that will guide how much a country will have to cut its tariffs; for instance, a higher coefficient could mean a country with higher tariffs doesn't cut them rapidly or much or (ideally) both.

GOVERNMENT'S RIGHT MOVES

- It is pushing for more protection—bargaining to keep more items beyond the scope of the trade agreement
- It has committed to tax rates that are higher than those prevailing in the country
- It is fending off developed countries' attempts to negotiate on the prevailing rates
- It is negotiating for a slower pace of reduction in tariffs

"The question now is how much can we negotiate on the coefficient figure. Are we ready to accept a low figure or give more negotiations space," says Biswajit Dhar, professor at Centre for WTO Studies, IIFT, New Delhi.

While resisting attempts by the developed countries to negotiate on the prevailing rates, India has yielded to a generic formula for duty cuts in industrial products, and not insisted on a country specific formula. The latter, a unique coefficient for every country was India's original stance. By altering its stance, India just may have improved the chances of ensuring that the coefficient is high for developing countries. That's Negotiation 301 for you.

AMIT MUKHERJEE

Riding The Gravy Train

Is there enough room for so many online travel firms?

WHEN 60 PER CENT OF THE e-commerce taking place in the country is travel oriented (according to Sandeep Murthy, CEO, Cleartrip.com), and when the online travel market is expected to grow to $850 million by 2009 from $325 million (Rs 1,495 crore) in 2005 (as per International Data Corporation), you'd expect plenty of action in this space. To be sure, a slew of portals, with explicit names like Cleartrip.com, Yatra Online, Travelguru.com and Ezeego1.com have been launched, with a clear objective of giving pioneer MakeMyTrip.com a run for its money. The companies are focussing on various segments of the travel and tourism pie. For instance, Travelguru has its sights trained on vacation deals, Ezeego1.com will book international holidays, and Cleartrip is focussed on domestic air and hotel bookings. A few of them are also looking at providing a complete package, including car rentals, guided tours and leisure activities. "The country is adding seven billion young earners per year who are looking for an alternative way for purchasing travel packages," says Sandeep Murthy, CEO, Cleartrip, which was flagged off last fortnight. That close to 4 lakh people travel every day (by air) makes the case for setting up travel portals even more compelling.

The opportunity is clearly mouth-watering, as is evident in the revenues and profits being generated, as well as projected. For instance, Deep Kalra, Founder and CEO, MakeMyTrip.com, expects a gross profit of Rs 45 crore and revenues of Rs 500 crore in 2006-07, as against Rs 20 crore (gross profit) and Rs 200 crore last year. And Neelu Singh, Chief Operating Officer, Ezeego1.com, projects revenues of Rs 350-400 crore in the first year itself, and all of Rs 1,500 crore in three years.

So, will all travel promoters be laughing all the way to their respective banks? Perhaps, but not for too long, says Ashwin Damera, Co-founder and CEO, Travelguru.com: "There will be place for them in the next two years, but not after that. Some will consolidate and some might go bankrupt." Damera feels a better option for new players is to focus on niches (either hotels or outbound flights or domestic travel), rather than attempt to provide an entire gamut of services. "Everybody can't do everything," he shrugs. Oh yes, we can, is how MakeMyTrip's Kalra reacts. "Customers want a one-stop shop." "The market is deep enough only for two players," says Kalra, who has raised $10 million or Rs 46 crore (from SoftBank Asia Infrastructure Fund) and already invested half that amount in the portal. Singh of Ezeego1.com doesn't agree. "There is room for many more players, as that will increase consumer awareness."

WILL THEY TRAVEL FAR?

Travel portals are specialising.

PLAYER	FOCUS
MakeMyTrip.com	Leisure and small and medium business travellers
Travelguru.com	Hotels and vacations deals
Ezeego1.com	Bookings of international holidays online
Cleartrip.com	Domestic air bookings and hotels
Yatra Online	Domestic travel and hotels

And so, companies are pulling out all stops to stand out in a crowded market. Net-savvy customers, who stand to gain the most from all this , aren't complaining.

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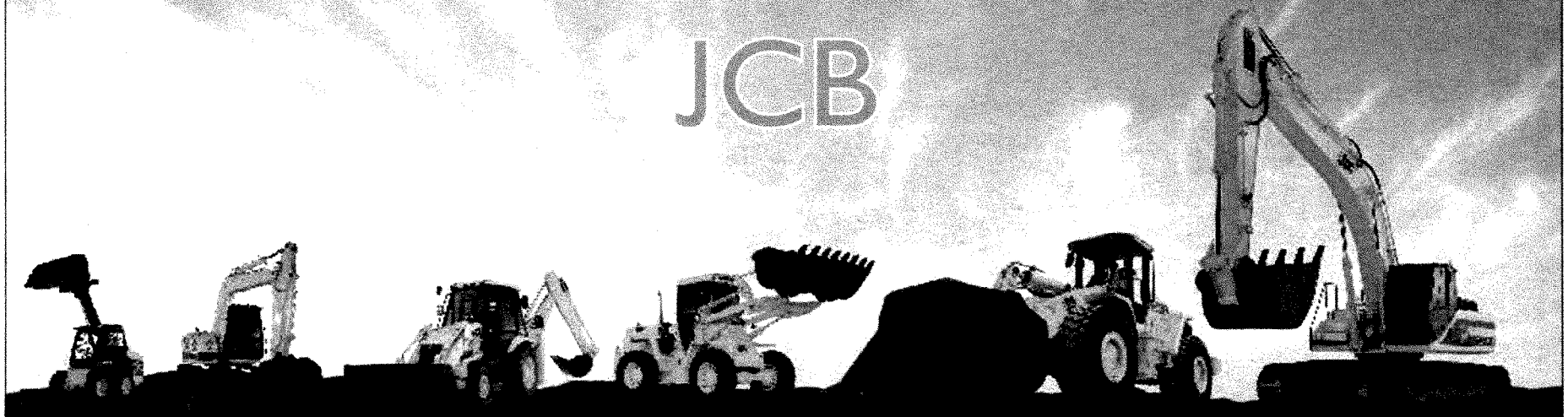

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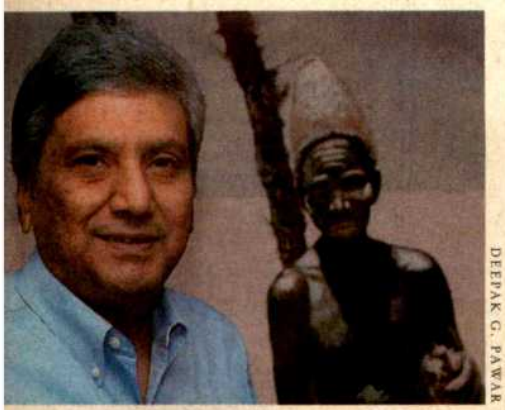

DEEPAK G. PAWAR

Tata Coffee's Ashraff: Global ambitions

of the Bangalore-based Ascent Securities & Consulting Ltd, puts it rather delicately by saying: "The deal might take some time to unlock value. While it is no doubt a good acquisition, the price might be on the higher side."

For M.A. Ashraff, Managing Director, Tata Coffee, the acquisition was a necessity, if the company had to be more than a mere commodity play. "To compete in the international market, we needed a powerful brand. That was missing." The acquisition of Eight O'Clock will give Tata Coffee a foothold in the fast growing US and Canadian markets.

Ashraff is quick to dismiss apprehensions about the price by saying that Tata Coffee would be "ring-fenced." The $220 million acquisition is to be executed with $160 million (Rs 736 crore) of debt and $60 million (Rs 276 crore) of equity, half of which will come from Tata Coffee, $20 million (Rs 92 crore) from a yet to be identified Tata Group entity and the rest from Exim Bank. "The debt will be raised using Eight O'Clock's own balance sheet. One has to remember that EOC is a profitable company with sales of $109 million and EBIDTA (earnings before interest, depreciation, taxes and amortisation) of $27 million (Rs 121.5 crore) last year," he adds.

While the acquisition will definitely help in the international market, Tata Coffee has a fight on its hand in the domestic market from the likes of HLL (Hindustan Lever Ltd) and Nestle. As a part of its strategy, the company wants to make Mr Bean, a blended filter coffee brand it launched three years back, its umbrella brand.

After exiting Barista, Tata Coffee has unveiled its own Mr Bean Junctions which will be a combination of a café and a retail outlet. Tata Coffee is believed to be eyeing several regional brands like Leo, Kothas and Narsu to provide it further impetus. Ashraff, however, says, "We will look at offers when they come up." The big goal though is to "emerge as a global beverage player". Eight O'Clock should help.

VENKATESHA BABU

Defender Of The Faith

The Centre's negotiating skills in WTO are improving.

LOOK AFTER YOUR OWN. THIS would appear to be the government's approach while negotiating the domestic industry's interests under the WTO regime. The government, while recently agreeing to cuts in taxes, has not yielded to anything below the prevailing rates.

"Our applied tariff structure (the prevailing rates) is already low and we are trying to ensure that we negotiate a formula at WTO which would by and large protect the interest of our industry," says

Farming Equity

The proposed farm procurement policy is more equitable.

MARK TO MARKET. THAT IS WHAT the government is attempting to undertake in the proposed farm procurement policy that is awaiting the Cabinet's approval. According to the proposal, the farmer will continue to get a Minimum Support Price (MSP) for his produce when the government's grain procurement arm, Food Corporation of India (FCI), approaches him. However, owing to the recent drop in procurement due to higher rates offered by the private agencies, the government plans to introduce an additional payment to the farmer, something that reflects prevailing market condition.

The new system is expected to be superior to the existing one simply because it is flexible. The new MSP, which could well be lower than the old MSP, is, in a sense, an assured return to farmers and now will be reflective of the costs incurred by the farmer; currently, it is less this and more a function of market dynamics. Thus, when there is oversupply in the grain market, the government ends up paying a minimum rate, enough to ensure that the farmer continues to grow the same crop. However, when demand exceeds supply (or thereabouts), the government can ramp up its price and compensate the farmer with the prevailing market prices without having to seek ad hoc approvals to raise the offer price through a time intensive process involving the Cabinet's approval, as is the prevailing practice.

The policy, evidently, is more equitable to both the farmer as well as the consumer. But then, like most government policies, this one too owes its conception to the inadequacy of the prevailing policy. Maybe it is time the government took pre-emptive action.

AMAN MALIK

Growing From A Small Base

PE inflows aren't that big.

PRIVATE EQUITY (PE) FIRMS ARE announcing, on an average, a new deal or a new fund almost every week. They have invested $3.4 billion (Rs 15,640 crore) in India in the first six months of 2006 against $2.3 billion (Rs 10,350 crore) in all of 2005 and $1.7 billion (Rs 7,820 crore) the previous year.

Sequoia's Balaraj: More deals

BIG INVESTMENTS IN 2006

INVESTOR	AMOUNT*	COMPANY
KKR	900	Flextronics
Temasek	360	Tata Teleservices
JP Morgan Chase, IDFC	124	L&T-Infrastructure Development Projects
Siachen Capital	100	Nitesh Estates
3i	68	Sonalika Group

*$ million

The average deal size, too, has increased to $20-25 million (Rs 92-115 crore) from $15 million (Rs 67.5 crore) last year. Says K.P. Balaraj, Managing Director, Sequoia Capital India, a venture capital (VC) firm: "We used to do three to four deals a year till a few years ago; now, we do 10-12 deals a year." A host of new players, from the US, Europe, West Asia, Japan and East Asia, have entered the fray, or are waiting in the wings. Says Rishi Sahai, Director, IndusView, a cross-border transactions advisory: "On an average, we get a call a day from investors about opportunities in India."

So, if we compare the present with the immediate past, things look very rosy, indeed. But the picture changes considerably if we look around, instead of back. According to estimates, around $10 billion (Rs 46,000 crore) is lying idle for want of good opportunities in India. "The euphoria will seem a little misplaced if one compares India with other markets," says Abhay Havaldar, MD, General Atlantic, a leading global investment firm. The average Indian deal size compares rather poorly with the US (more than $1 billion or Rs 4,600 crore), China ($1 billion) and South Korea and Australia ($700 million-$1 billion). Big PE and VC firms like Carlyle, Blackstone and TPG have yet to announce any large deals.

Meanwhile, a closer look at some of the "bigger" PE investments reveals that they, too, aren't really that big. General Atlantic, for instance, has invested $500 million (Rs 2,300 crore) in six companies, but that's a mere 5 per cent of its total global corpus of $10 billion. Some players even challenge the $3.4-billion (Rs 15,640 crore) PE investment figure for the first half of this year. "One can't call KKR's $900-million (Rs 4,050 crore) buyout of Flextronics Software an Indian deal," says a partner in a top PE firm. Similarly, Temasek's $360-million (Rs 1,656 crore) investment in Tata Teleservices is a strategic, and not a PE investment, argues another one. Net of these two deals, the total PE investment so far this year is about $2 billion (Rs 9,200 crore), which is only 0.5 per cent of the $400-billion (Rs 18,40,000 crore) market capitalisation of India's 9,000-odd listed companies. Says Akhil Gupta, Senior MD, Blackstone: "Valuations and governance have been big hindrances for us." Adds Rajeev Gupta, Managing Director, Carlyle India: "Capital requirements of most Indian companies are rather small. The average market capitalisation of companies is around Rs 2,000 crore. How many of these can qualify for bigger investments?" But after the correction in the markets, players expect the environment to be more conducive now. "The recent correction in the markets may encourage buyers and sellers to negotiate better now," says Pankaj Dhandaria, Partner, Ernst & Young. Adds Rahul Bhasin, Managing Partner, Baring Private Equity: "Interest rates are rising, but internal consumption in the economy shows no signs of a let-up. This points to a need for fresh investments. This seems quite promising for PE firms."

So will PE investments pick up? Yes and no. Says Donald Peck, Managing Partner (South Asia), Actis, a PE firm: "There is, undoubtedly, an upward trend in PE investments, but the noise is much more than the real action."

ARCHNA SHUKLA

Strong Brew

Did Tata Coffee pay too much to acquire Eight O'Clock?

OVER FIVE TIMES ITS OWN revenues and almost 45 times its profits—that's how much Tata Coffee, a 51 per cent-owned subsidiary of Tata Tea, will be coughing up for the acquisition of Eight O'Clock Coffee Company in the US for Rs 1,015 crore. For 2005-06, Tata Coffee had revenues of Rs 190 crore, and earnings of Rs 22.6 crore. Tata Coffee may be following the footsteps of its parent Tata Tea, which purchased Tetley for Rs 1,890 crore in March 2000. But there are two million dollar questions: Can Tata Coffee digest such a big meal? And has it paid too much? S. Subramanyam, Managing Director

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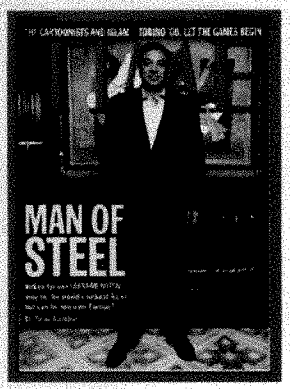

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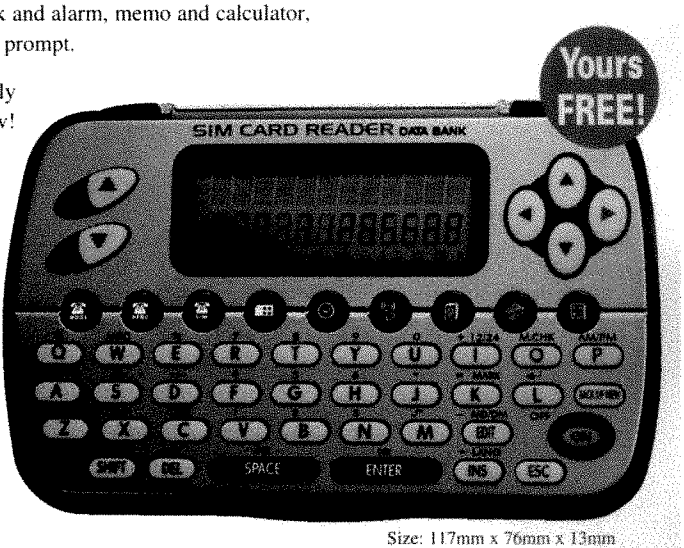

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Turning On The (W)heat

Why import when there's so much being harvested?

HONEST MISTAKE OF A government still coming to grips with free market economics or sweetheart deal that lined the pockets of some middleman somewhere? Given that one of the parties involved is Australian firm AWD which is named in Volcker's (in)famous report on the oil-for-food-scam, the jury is still debating the government's recent decision to import wheat. The facts: the government has an annual requirement of about 17 million tonnes of wheat; it usually sources this from farmers; however, last year, its minimum support price of Rs 650 a quintal was around Rs 25 lower than the price being offered by companies such as ITC and Cargill; thus, although the wheat yield in 2005-06 was 71.50 million tonnes, the government couldn't buy enough; and by the time it realised this and raised the price by Rs 50, most wheat had been sold. An executive at the Food Corporation of India maintains that had the increase been announced earlier the government could have mopped up an additional 3.5 million tonnes from farmers. The government realised that it would face a shortfall as early as February this year, and in March placed an order to import 500,000 tonnes through AWD, a significant amount of which was found to be of poor quality on arrival. Since then it has sought to import around three million tonnes more, at a price of around Rs 1,000 a quintal, and faced with poor response, has even relaxed several norms relating to the quality of wheat. It would appear that it isn't a buyers' market anymore.

AMIT MUKHERJEE

Red Light At RBI

Is the central bank sitting on expansion applications?

THE RESERVE BANK OF INDIA (RBI) seems to be dragging its feet on allowing private banks to increase the number of branches. "We have been waiting for approvals for a long time now," says a private banker. "But I don't know if the delay is deliberate," he hastens to add. Private banks such as HDFC Bank and ICICI Bank had earlier announced aggressive branch rollout plans. Ditto for Citibank and many other foreign banks. These plans are now in a limbo. Most private banks declined to speak on the issue. But some banks seem to enjoy more luck than others; Jammu & Kashmir Bank has received approval to open branches in 2006-07. "The relevant factors in considering the requests are: coverage of unbanked areas and other public policy priorities, the business plan of the bank concerned and the overall regulatory comfort with regard to the functioning of the bank concerned," an RBI spokesperson told *BT* in a written statement.

Expansion plans: Wait for a while

The central bank is believed to be unhappy over the complete failure of some private banks to implement its "Know Your Customer" norms. This came to light during investigations into the recent initial public offering (IPO) scam when it was found that some individuals had 500 or more demat accounts. How long can the central bank sit on these plans? "Maybe six months to a year," says a senior finance ministry official.

RBI has also changed its branch licensing policy W.E.F. July 1, 2006. It will, henceforth, sanction aggregate approvals for a year based on the applicant bank's annual and mid-term business plans; this marks a change from the previous policy of sanctioning specific branch licenses. This reasonable and flexible policy has a downside though. Several banks, notably the foreign ones, which plan to pursue inorganic growth after 2009—when they will be allowed more freedom to acquire Indian banks—may be unwilling to share such strategic inputs in advance with the central bank.

RBI will also look at issues such as actual credit flow to the priority sector, minimum balance requirements and data on the number of complaints received and the redressal mechanism while approving branch expansion plans. Clearly, banks pursuing wild growth at the cost of service parameters are on the back foot. The regulator is subtly baring its teeth.

SHALINI S. DAGAR

CLOSING IN FAST

General Insurance Players	Premium 2005-06	Market Share (%)
ICICI Lombard	1,591.99	29.33
Bajaj Allianz General Insurance	1,287.67	23.72
IFFCO-Tokio	896.10	16.51
Tata AIG General Insurance	612.38	11.28

(Figures in Rs crore)

the life insurance business has come on the back of its focus on short term products like single premium policies rather than regular premium products. "Bajaj Allianz Life has been aggressively expanding into smaller towns with little attention on education. It doesn't have a long term approach," says an executive at ICICI Prudential Life. Well, it appears to have helped in the short-term.

ANAND ADHIKARI

Speed Breaker Ahead?

Will the new deal for the roads sector deliver results?

COME AUGUST AND THE GOVERNment will put to test its first genuine public-private partnership in the roads sector when it auctions road projects using the new model concessionaire agreement (MCA). Thus far, traffic risk, a key determinant in the viability of toll-based road projects, has been allocated either entirely to the private sector (there have been few takers) or to the government. Under the MCA, government will share this with the private developers.

However, even as the government is putting together projects under the 10,000 km National Highway Development Programme (NHDP) phase III programme, issues such as inflation indexing have come to the fore and could necessitate some amendments to MCA. *BT* looks at this and some of the other issues that the MCA throws up.

Will the pace of road laying suffer?

Possibly. And the reason for this could be the threat of litigation that looms large over the new model. While industry has welcomed the MCA and termed it as 'fair and equitable', the basic nature of the contract demands significant disclosures on its part (for instance, audited details of traffic realisation). In the absence of a mature industry, errant developers could collude with government officials and submit lower estimates in order to boost their earnings.

Thus, the risk of litigation multiplies manifold. Another issue that might well drag down the pace of project implementation is the MCA's provision that the government acquire 80 per cent of the land required of the project before offering it for private participation. At present, the NHAI has been successfully offering projects with 30-40 per cent land clearance. Raising the level to 80 per cent could well delay projects by a year.

Is the taxpayer getting a good deal?

No. The government, and in turn, the taxpayer may be yielding more than what is necessary to attract private investments. While the Build Operate Transfer (BOT) policy adopted in the first and second phases of the NHDP was not entirely successful, much of its ills rose from issues other than traffic risk, such as poor project reports.

Hence, the government's wisdom to bear even a nominal part of the traffic risk in the new contracts is questionable. Indeed, projects for Rs 5,800 crore or around 1,120 km of roads have been awarded in the third phase of NHDP under the old BOT agreement. And, here, the private sector has entirely absorbed the traffic risk associated with the project.

In the case of these projects, the private sector has sought less 'viability gap' funding from the government than the permissible levels, an average of 8 per cent of the project cost against the cap of 40 per cent. And, this includes eight projects, where the private sector has actually filled government coffers, with the Ambala-Chandigarh project netting the government as much as Rs 106 crore.

Does MCA have nothing going for it?

Not really. But the improvements attempted such as time-of-the-day tariff regime, moderate flexibility in project scope, and an option to increase the number of lanes midway through the life of the project will mean little if the pace of laying roads falters and the tax payer ends up paying more than necessary.

BALAJI CHANDRAMOULI

TROUBLE AHEAD?

- Is the government giving too much to generate private sector interest?
- Since the new roads contract demands 80 per cent land clearance upfront, pace of roll out might be delayed
- The new deal might result in rampant litigation
- There are serious apprehensions that industry will not be able to handle the higher disclosure levels demanded

372 crore, of the total incremental AUM, compared to just Rs 81 crore in the previous year. The postal distribution channel is also playing its part; it helped garner Rs 50 crore last year. UTI has also tied up with HCL Infosystems to roll out a low-cost franchisee model involving investor touch points. "We are setting up 300 investors touch-points that will sell UTI AMC products in tier-II and tier-III cities," says Sinha. Given that its competitors are far ahead in terms of marketing savvy, UTI is still far from bringing back the glory days, but every small step will help.

ANAND ADHIKARI & MAHESH NAYAK

Vroom!

Bajaj sets the insurance market on fire.

NOT TOO MANY PEOPLE ARE likely to pick the Bajaj Group that runs two-wheeler major Bajaj Auto as the country's largest private sector player in the insurance business. Yet, in terms of premium income for the year 2005-06, Bajaj's life-insurance business Bajaj Allianz Life Insurance, a 74:26 joint venture between the Bajaj Group and Allianz AG, is top dog with a 26.49 per cent share of the market (it has overtaken ICICI Prudential). Even Bajaj's general insurance foray, also with Allianz, boasts a share of 23.72 per cent and saw a 51 per cent spurt in its premium income to Rs 1,287.67 crore in 2005-06. "Our strategy is to target retail customers," says Kamesh Goyal, CEO, Bajaj Allianz General Insurance proffering one reason for the company's growth. He rattles off the others: innovative offerings, allowing dealers to issue policies, and other such. "We are the most profitable non-life company," he adds (net profit in 2005-06: Rs 51.6 crore). The life insurance business' CEO Sam Ghosh lists almost the same factors. The competition is of the opinion that Bajaj's growth in

ON THE TOP

LIFE INSURANCE PLAYERS	PREMIUM 2005-06	MARKET SHARE (%)
Bajaj Allianz Life Insurance	2,715.62	26.49
ICICI Prudential Life	2,637.48	25.72
HDFC Standard Life	1,028.94	10.04
SBI Life	828.52	8.08
Birla Sun Life	678.10	6.61
Tata AIG Life	463.48	4.52

Figures in Rs crore Source: IRDA

Diving Deep To Pick Pearls

FM Chidambaram nudges tax payers to disclose real incomes.

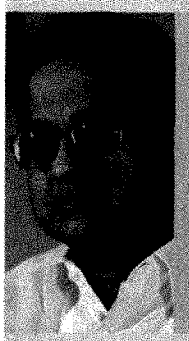
WHAT IS COMMON TO THE COLA companies and the finance minister? Both prefer to deepen rather than broad base their markets. After a failed attempt at tapping the rural market, the cola companies have restricted their efforts to urban ones. And Finance Minister P. Chidambaram is of the view that tax returns are better realised by chasing those who already pay taxes, constituting a mere 2 per cent of the populace.

To this effect his hounds are sniffing around the consumption outlets—mutual funds (investments are close to twice the country's annual tax receipts), RBI bonds and the like—using the annual information returns database.

Pursuing his strategy, finance minister Chidambaram said in a recent press conference that the income tax department had sent letters to over 6,60,000 separate parties on transactions that have not been accounted for in their tax filings.

Over the last three years, income tax collections have risen 20 per cent year-on-year. However, all this while, the tax base has been stagnant at around 20 million. Ironically, like the cola firms, Chidambaram has little reason to persevere in the 'rural markets': the agricultural sector accounts for 60 per cent of the workforce but cannot be taxed. Excluding this number, and factoring in the working population and exemptions, Chidambaram could target 60 million individuals. That, though, could take time. Thus, the focus on existing tax payers. "He is clearly focussing at that segment of high net worth individuals that is either suppressing their income or not filing their returns," says Ajay Shah, a former consultant to the finance ministry. It's also easier.

BALAJI CHANDRAMOULI



PINAKI PAUL

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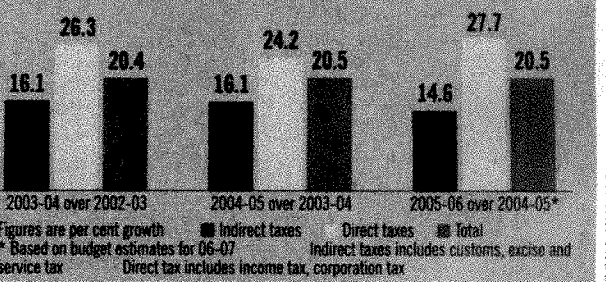

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Can UTI Find Its Groove ?

Yes, but it's got some serious competition to reckon with.

SOUMIK KAR

UTI's Sinha: Rejigging to grow at a faster pace

FOR MOST PEOPLE IN THE MINISTRY OF Finance, North Block (where the ministry is housed) is a long, long way from Dalal Street (and not just in terms of distance). Not for seasoned bureaucrat U.K. Sinha, who was at one time in-charge of capital markets in the finance ministry. Six months into his new mandate as head honcho of UTI Asset Management Company, which has Rs 30,000 crore worth of assets under management (AUM), the Indian Administrative Service officer is getting to actually feel what it's like to be at ground zero.

Till eight years ago, UTI was the undisputed leader in mutual fund territory as the eminently-bankable Unit Trust of India. Then things suddenly went horribly wrong and its flagship scheme US-64 got caught out in a asset-liability mismatch. With thousands of crores of investor money at stake, the government intervened, bailed out US-64 and broke up UTI into two parts. UTI AMC was eventually born. Today, in its new avatar the mutual fund has been putting up a brave show, but is feeling the heat from private sector competition. Prudential ICICI AMC (AUM as on June 2006: Rs 30,143 crore) has already displaced UTI AMC from its top slot. And the fastest growing of the pack, Anil Ambani's Reliance Mutual Fund (AUM: Rs 26,300 crore), is hot on UTI's heels.

"The immediate task is to retain our leadership," says U.K. Sinha, Chairman of UTI AMC, who has 18 more months to achieve that goal. Global consultants Ernst & Young, McKinsey and Boston Consulting Group have all been called in to make presentations at UTI's Bandra-Kurla office (in Mumbai's suburban commercial district) to outline their game plan to revamp UTI and its business strategy.

Some of those recommendations are being acted on. For instance, international operations will be a major focus area. Currently UTI manages four offshore funds with assets of $150 million (Rs 690 crore), three of which are equity funds. "We are now looking for a big ticket investment of $250-500 million (Rs 1,150-2,300 crore) in new funds," says Sinha. UTI is already in talks with a mid-size European Bank for a co-branded infrastructure fund with a combined corpus of $200-300 million (Rs 920-1,380 crore). Sinha adds that UTI is also in the process of launching an India-dedicated diversified or infrastructure offshore fund in Japan with a size of $500 million. By the end of 2006-07 Sinha wants UTI's international funds to be managing assets worth close to $1 billion (Rs 4,500 crore).

Then, there's the domestic market. Plans are afoot to launch a gold exchange traded fund and a real estate fund once the regulator prescribes the guidelines. "We will also be launching our global Titan index fund in consultation with our overseas investment advisor State Street Global Advisors (SSgA) for domestic investors. This should hit the market three months after getting approvals," says Sinha. On the distribution side, UTI has tied up with 12 public sector banks. And the results have shown. In 2005-06, the bank distribution helped the AMC to garner over 1 per cent, or Rs

UTI MUTUAL FUND IS WAY AHEAD IN PROFITS...

	2005-06
UTI AMC	130
Prudential ICICI AMC	N.A.
Reliance AMC	30.04
HDFC AMC	45.48
Franklin Templeton AMC*	N.A.

Figures in Rs crore *Year ending September
Source: AMFI and Company N.A.: Not available

...BUT IT'S LOSING OUT IN THE NUMBERS GAME...

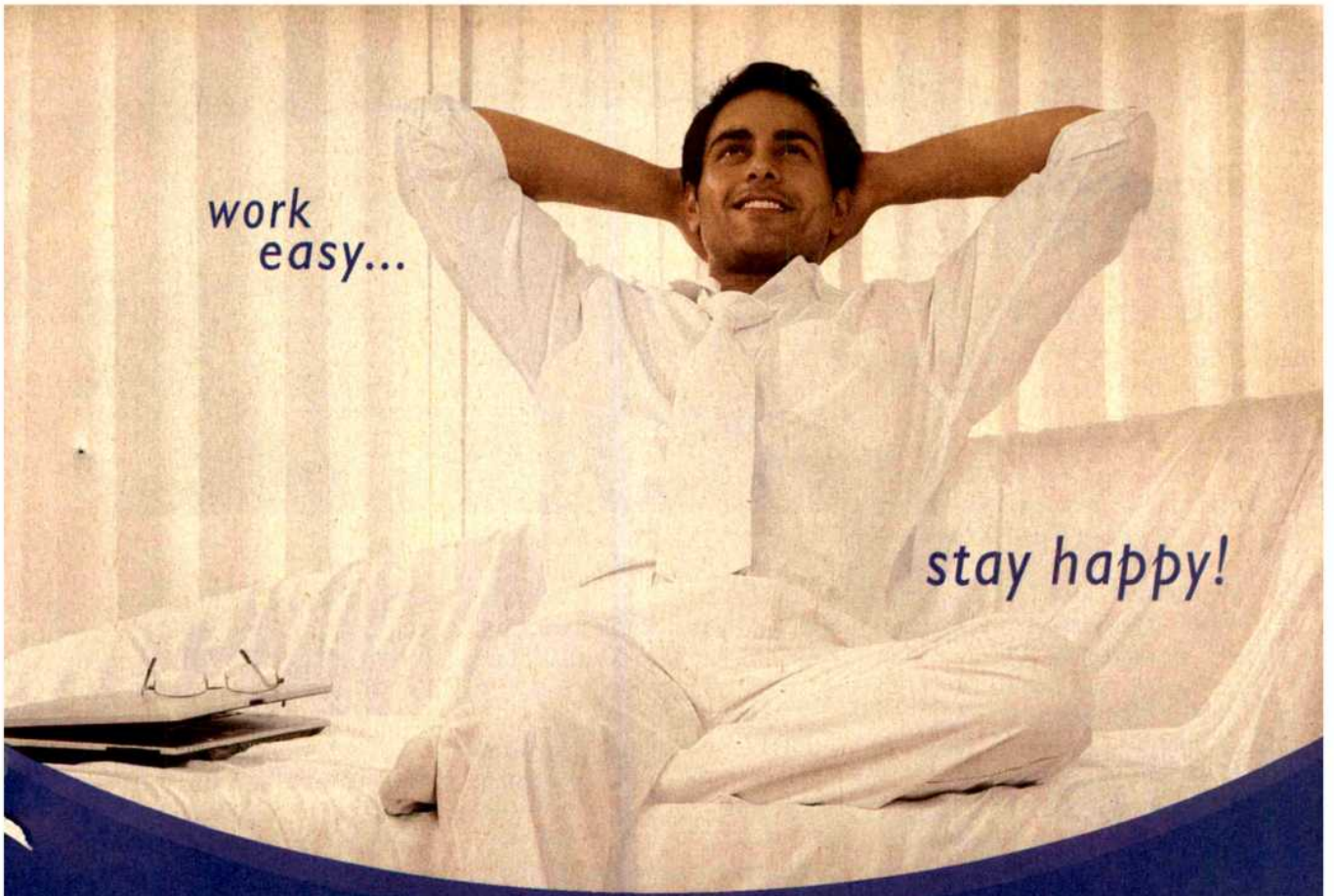
	JUN-06	JAN-06
UTI AMC	30,115	25,417
Prudential ICICI AMC	30,143	22,635
Reliance AMC	26,314	16,702
HDFC AMC	24,391	18,590
Franklin Templeton AMC*	21,650	18,153

Figures in Rs crore are assets under management Source: AMFI

...AND ITS INVESTOR BASE HASN'T GROWN OVER THREE YEARS

	UTI	Prudential	Reliance	HDFC	Franklin
Mar-04	80.88	N.A.	1.49	N.A.	N.A.
Mar-05	67.52	N.A.	4.77	7.07	12
Mar-06	75	N.A.	20.96	14.75	18

Source: Companies Figures in lakh



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two cities have historically had a high average revenue per user, a key indicator of the financial soundness of an operator. Again, if Reliance gets the go-ahead from the government, the other issue is that of allowing other operators to get on to a new technological platform; for instance will Tata Teleservices, a CDMA player, be allowed to provide services on the GSM platform?

Meanwhile, CDMA technology provider Qualcomm has made it clear that it will not reduce royalties, a demand apparently made by Reliance Communications. Tata Tele appears to be in agreement, suggesting that Qualcomm should focus on lowering handset costs instead. Ambani may find himself alone in his demand for lower royalties, and it remains to be seen how big a role will that stand-off have in Reliance pursuing its GSM game plan for the two big metros.

KRISHNA GOPALAN

Fearing Mittal's Mettle

Do Indian promoters need to be wary of the global predator?

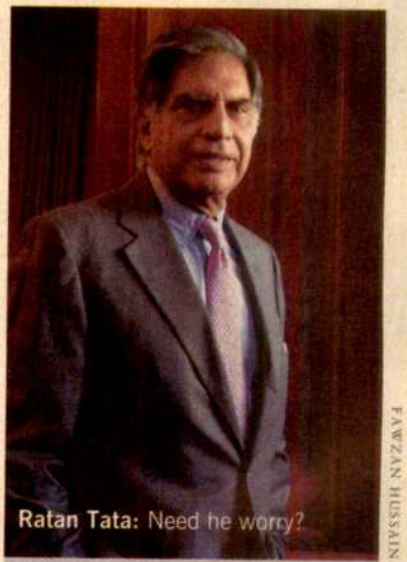
TRUST L.N. MITTAL TO SHAKE UP things. After creating Arcelor-Mittal, a steel behemoth that controls roughly 10 per cent of global production, the President of the merged entity casually let on that he would now be training his sights on the emerging markets of India and China. In a country that boasts just a handful of mega-steel capacities, that statement would have been taken in utter seriousness, and with some trepidation by promoters of Indian steel companies. It sure did energise Ratan Tata, Chairman, Tata Steel, into action. At the Tata Steel Annual General Meeting (AGM) held last fortnight, he proposed to hike the holding of Tata Sons in Tata Steel from 26.67 per cent to 33.6 per cent. "We will raise the promoters' holding so that it acts as a deterrent to takeovers," Tata told shareholders at the AGM.

Is Tata the only Indian promoter who is threatened by Mittal's rampaging ambitions? In the steel sector, most groups don't need to be as worried. For instance, the promoters of Jindal Stainless own close to 41 per cent of the company, whilst the Ruias of Essar Steel are sitting pretty with 75 per cent. The only other large company in the metals space where the promoters' holding is low is the A.V. Birla Group company, Hindalco, where it stands at 26.87 per cent. Chairman Kumar Mangalam Birla recognises the need to prop up that figure. "The group is constantly increasing its stake in its companies through the creeping acquisition route," he says. True enough, the promoter holding in the aluminum giant had increased from 25.95 per cent last September to 26.87 per cent by end-March.

Tata may be a bit wary of predators like Mittal, but market analysts welcome such a dream deal. "A consolidation of this kind would benefit everyone in the industry as it helps in stabilising prices," says Shankar Sharma, Director, First Global. However, as Mittal pointed out on his India visit last fortnight, India is a market that is crying out for new capacity-creation, and consolidation is hardly an imperative at this stage.

For the Tatas, meantime, the steel company isn't the only one that's precariously perched on the shareholding front. At Tata Tea and Tata Chemicals, for instance, the promoter holding is just under 29 per cent. Of course there are companies like TCS, where the Tatas are safely sitting on 83.69 per cent of the company's equity. The Tatas, for their part, have been quietly shoring up their stakes in their flagship companies over the recent past. At VSNL, for instance, where the promoter stake stands at 45 per cent, Tata Sons picked up a 1 per cent stake in the company between June 28 and 30. But the Tatas—and any Indian business group for that matter—shouldn't shudder at the prospect of predators prowling around simply because hostile takeovers aren't exactly encouraged in India. "Even Mittal may not resort to something like that in India," says an investment banker on the condition of anonymity. Not yet.

KRISHNA GOPALAN



Ratan Tata: Need he worry?

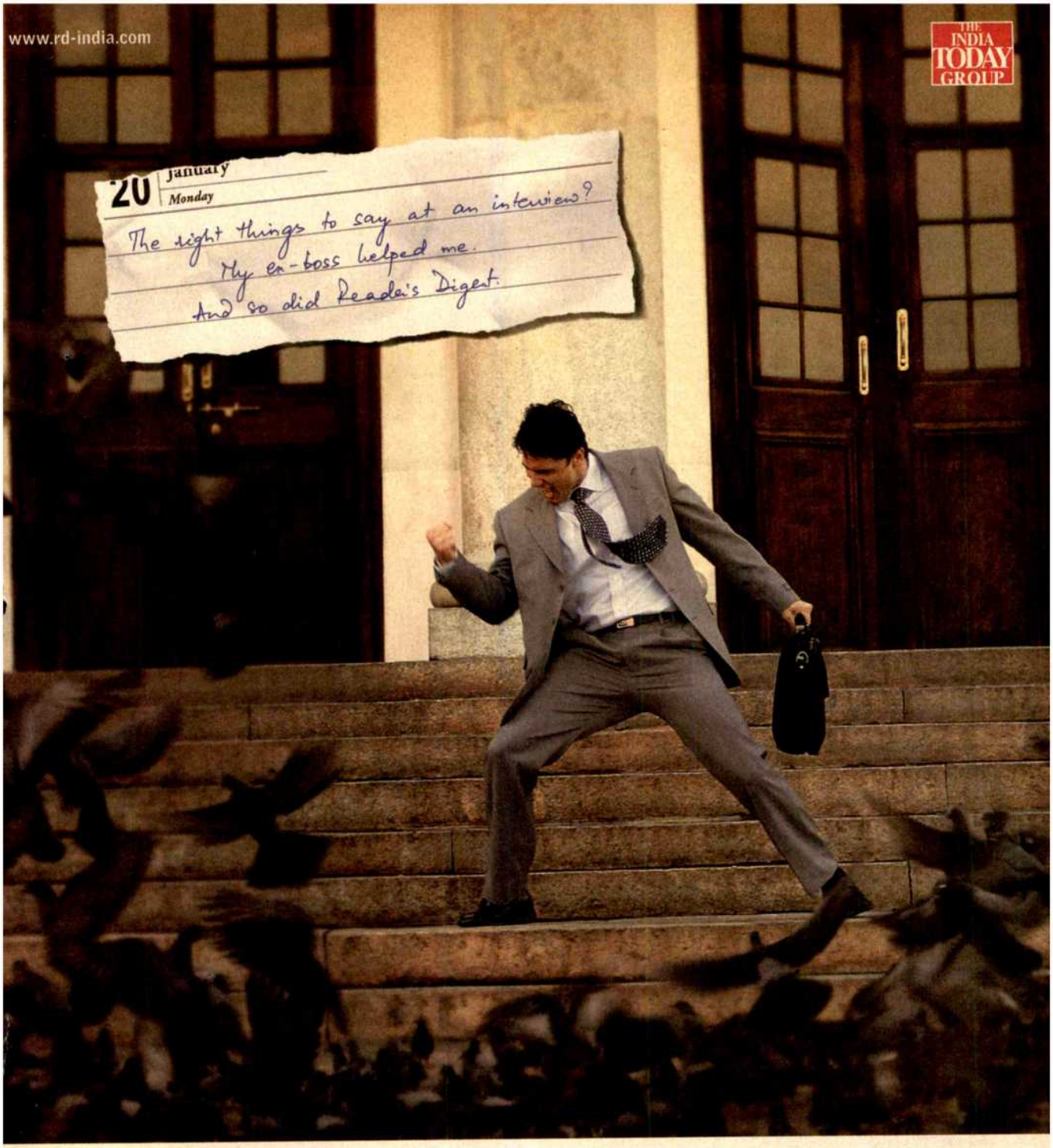
FAWZAN HUSSAIN

HOME AND DRY, ALMOST

COMPANY	PROMOTERS' HOLDING*
Tata Motors	33.65
Tata Steel	26.79
Tata Power	32.28
Tata Tea	28.6
Tata Tele (Mah)	65.46
VSNL	46
Indian Hotels	29.28
Voltas	27.56
Titan	52.89
Rallis	45.45
Tata Chemicals	28.62
Tata Coffee	50.67
TCS	83.69

*Figures in per cent

Source: CMIE



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Trade Barriers

Pakistan gives Least Favoured Nation status to India.

TWO STEPS FORWARD, ONE STEP back. This describes India's relationship with Pakistan. While cross-border human traffic has increased with the restarting of the bus service between the two countries, Pakistan has applied the brakes on the goods front. South Asia Free Trade Ageement (SAFTA), the regional trade agreement between South Asian countries under the umbrella of the South Asia Association for Regional Cooperation (SAARC), kicked in on June 30, but without Pakistan extending the Most Favoured Nation (MFN) status to India, a concession that would have provided preferential access to Indian goods. Pakistan has steadfastly refused to untangle trade issues from the vexed Kashmir issue on the grounds that yielding to such concessions, multilateral in nature nonetheless, would amount to softening its position on Kashmir, and which might carry a political cost on the domestic front.

And so, Pakistan has informed the SAARC secretariat that while it will offer preferential access to all other SAARC member countries for 4,800 items, India will enjoy free access only for 773 items. The Indian government, meanwhile, is yet to decide on its course of action in the wake of Pakistan's move.

With Pakistan unwilling to do anything that could be perceived as weakening its stand on Kashmir, the prospect of free trade has been sacrificed at the altar of populism.

BALAJI CHANDRAMOULI

Crossed Connections

Can the GSM and CDMA twain meet for Anil Ambani?

ANIL AMBANI'S DECISION TO PROvide GSM services in Mumbai and Delhi has sparked off a debate since his company, Reliance Infocomm, already has a significant presence through the CDMA platform. Newspaper reports have suggested that the Department of Telecommunications (DoT) isn't likely to give the go ahead to Ambani's Reliance Communications to provide GSM services in Delhi and Mumbai. Reliance operates CDMA services in these two cities, and in 21 circles altogether. The big question: If an operator provides services under one technology, can it provide services in the same circle under a different technology? The short answer: Unified licences (for fixed and mobile) given to wireless operators are technology-neutral and don't discriminate between services. For instance, Reliance operates GSM services in eight circles, and it provides CDMA services, too, in those same circles, points out a telecom industry official. Both the state-owned telecom undertakings, BSNL and MTNL, provide GSM as well as CDMA services in the circles they operate in (although it must be said that their CDMA presence is small compared to their GSM play).

The real issue, point out industry observers, revolves around spectrum and its availability. This means that if there is adequate spectrum in Mumbai and Delhi, then another operator will be allowed to commence services. "If spectrum is not in short supply, even other existing players can provide services under a different technological platform. However, that will be left to DoT to decide," explains the industry official.

Reliance provides GSM services in Kolkata, West Bengal, Assam, the entire North East, Madhya Pradesh, Himachal Pradesh, Bihar and Orissa. The total subscriber base is a little over 2 million. Mumbai and Delhi fit into the plans since the two alone account for about a fifth of India's total wireless subscriber base. Reliance Telecom, the company that runs the GSM operations, has been in the business for close to a decade now and is now a part of the listed company, Reliance Communications. If the government insists that Reliance will have to migrate its existing CDMA users in Mumbai and Delhi to the GSM platform, there will be a big cost to it, which Reliance is understandably looking to avoid. "We are committed to pursuing the world's leading technologies, whether CDMA or GSM, to provide the best and competitive services to our 22 million subscribers," says a Reliance Communications' spokesperson.

As far as Mumbai and Delhi are concerned, the issue relates to the allocation of spectrum in the 1,800-MHz band and if Reliance can get spectrum here, then it is reasonably sure that Reliance will not have to vacate its existing spectrum. Industry estimates suggest that Reliance will need around Rs 1,000 crore to commence services in Delhi and Mumbai. There is a cost advantage that will accrue since Reliance has basic infrastructure in place in these two cities. Also, the

Reliance Comm.'s Ambani: DoT's turn no

BHASKAR PAUL

Lotus AMC's Bagga: Sees potential

companies (AMCs, which are mandatory for launching MFs). In the past one year, global MF powerhouse Fidelity also started up an AMC, and domestic players like Optimix, Quantum and Lotus AMC (a joint venture between Fullerton and Sabre Capital) are also joining the MF rush.

The potential may be huge, but the returns don't exactly match up. According to sources, overall return on assets in the AMC business globally is just 0.3 per cent; for bank deposits it's five times that number. That, in fact, is one of the reasons for Citibank selling off its AMC business worldwide to Legg Mason. What's more, the world's #1 AMC, Fidelity, has incurred a loss of Rs 22 crore in the first nine months of its India operations (although it must be said that a MF is a long-gestation project). Should that faze the new entrants? Not at all, says Ajay Bagga, CEO, Lotus AMC. "The Indian MF industry is underdeveloped and untapped."

Adds Roger Hepper, Project Sponsor, Managing Director & COO, Asia Pacific, JPMorgan. "We always had plans of entering the Indian MF industry at the right juncture." Internationally, JPMorgan is one of the largest asset management businesses with over $873 billion (Rs 40.16 lakh crore) of assets. In India, JPMorgan AMC, which hopes to break even in five years, will have a presence in nine metro cities. What doesn't quite work in JPMorgan's favour is brand recall, which is certainly not as high as a Fidelity (the buzz is that Fidelity has set aside Rs 50 crore this year for brand-building). As Milind Barve, MD, HDFC AMC, says: "The brand is very important in our business. If you don't have a good brand, money spend is the only alternative. Another option is a unique product, but that isn't easy."

Acutely aware of the deep pockets of players like Fidelity and JPMorgan, domestic house Quantum AMC is doing things differently by not taking the distributor route (thereby, saving on brokerage payments). Currently, with a corpus of Rs 25 crore and two products—one equity and other liquid—the AMC is not in the business of boosting AUMs. "By not paying distributors, our expense ratio is lower, which bodes well for investor returns. When our AUM touches Rs 70 crore, we break even," says Ajit Dayal, Director, Quantum AMC. Dayal's given the big boys something to chew on.

MAHESH NAYAK

Round II Begins

Hostilities escalate over Bhai Mohan Singh's will.

BAD BLOOD SEEMS TO BOILING over in the Singh family. New fronts are being opened almost every other day in the dispute over the late Bhai Mohan Singh's will. The latest twist is a complaint filed by Nimmi Singh, wife of late Parvinder Singh, with the Delhi Police on July 4, alleging that Max Healthcare Managing Director Analjit Singh's men had manhandled and threatened her when she tried to stop some construction by them at her residence.

Bhai Mohan Singh's will, as has been widely reported in the media, granted Analjit control over his properties and trusts. At stake, among other assets, are 24 lakh shares of Ranbaxy worth Rs 125 crore and three residential properties in Delhi's tony Aurgangzeb Road and South End Lane, which, a "public notice" published by Analjit's lawyers says, "are one property". The late Mohan Singh had leased #1 South End Lane to Ranbaxy (and, in effect, to Parvinder Singh and his family), #2 South End Lane to Max and another part of the combined property (the exact portion is not mentioned) to the Bhai Mohan Singh Foundation. The entire property belongs to a company called Delhi Guest Houses (DGH), which is in Analjit's custody. The public notice alleges that Ranbaxy had stopped paying rents to DGH in 1993, following which Bhai Mohan Singh had filed an eviction suit, which is pending before the Delhi Rent Controller's court.

The public notice further alleges that it was Nimmi Singh, in fact, who trespassed into the property leased to the Bhai Mohan Singh Foundation and threatened staff there. Neither branch of the family wanted to comment on the matter, but *BT* has gathered that Malvinder and Shivinder Singh, the two sons of Parvinder Singh, have filed objections against their uncle's claims in the probate court. Bhai Mohan Singh's youngest son, Manjit Singh, meanwhile, is also planning to file his objections to the will this week. "We will challenge the will for sure," he says.

Analjit Singh had told *BT* two months ago that he was very hopeful of an out-of-court settlement with his nephews. That is now unlikely anytime soon.

ARCHNA SHUKLA

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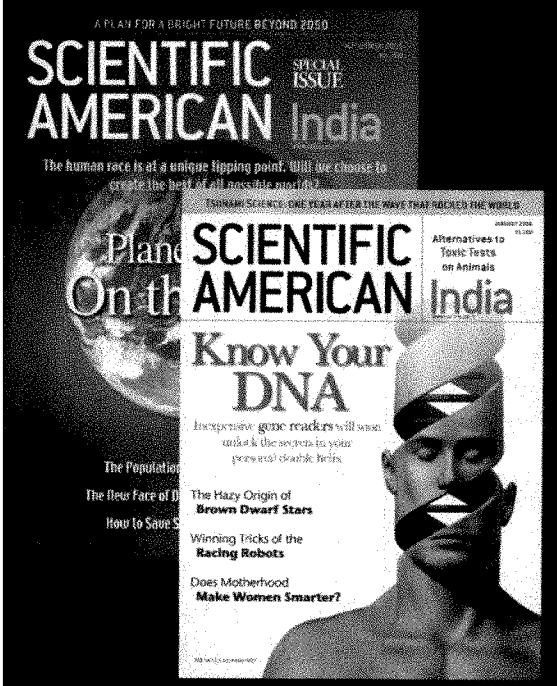

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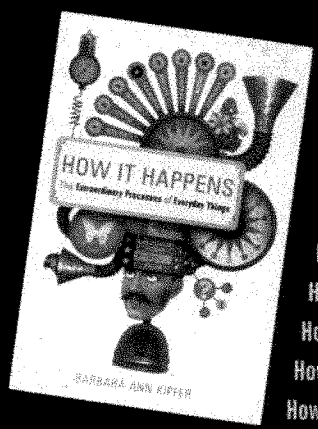

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04/M Tx4

ESPN-STAR's Goaaaaaaaal

Pity the FIFA World Cup happens just once in four years.

NOTWITHSTANDING A PRESENTER who was as comfortable with football as perhaps Zinedine Zidane was with fair play, ESPN STAR Sports scored big gains in the recently concluded FIFA 2006 World Cup. The channel garnered a unique viewer base of 2.4 million during the first two days of the tournament, according to TAM media Research, an agency that clocks television viewership. Some 4.4 million viewers watched the Germany vs Costa Rica opener. And it's never been as good. According to TAM, FIFA 2006 registered an 83 per cent jump in viewers over the previous World Cup four years ago. Says Shashi Sinha, CEO, Loadstar Media, a media planning and buying agency: "So far, it was only cricket, now football figures have gone up dramatically. It is a good sign for them (ESPN STAR)." Adds R.C. Venkateish, MD, ESPN STAR Sports: "We had a bit of a dry patch last year." The World Cup came as a boon.

It took some doing, though. Before the tournament started, ESPN STAR embarked on a series of marketing and promotional initiatives to create awareness on the world's most popular game. It roped in two presenting sponsors and six associate sponsors who poured in around Rs 31 crore. The channel had bulk deals for its ad sales and sold all 64 matches together. An official reveals the channel had 15 minutes of ad space per match; a 10-second spot was pegged at Rs 80,000-1 lakh. Total airtime of 960 minutes (57,600 seconds) of all 64 matches raked in revenues of a little over Rs 46.08 crore (and that's a conservative estimate). In comparison, for one-day international cricket, 4,500 seconds airtime is sold for each match, with 10 seconds going for Rs 1 lakh to 1.5 lakh.

The channel also found a new revenue stream in big screens, installations of which commanded a separate fee. Affirms Venkateish: "There were a number of commercial establishments who took rights from us but this route constitutes only 2-3 per cent of our revenues. It is a small but growing market."

TAM data reveals that ESPN STAR's good showing rubbed off on other sports channels, all of which registered viewership gains during the World Cup. ESPN STAR itself registered a 76 per cent gain on the first day of the tournament, up from just 29 per cent the previous day. The ratings also look better when compared with the 2002 World Cup, 3.31 points vs 2.48, a 33 per cent increase.

So, can ESPN STAR hold on to its new viewers? Venkateish hopes to with more football (the English Premier League) and—surprise surprise—more cricket. "Our calendar is choc-a-bloc; we have the India vs South Africa match coming up in November and about five cricket series lined up over the next 18 months."

AHONA GHOSH

AP

Grabbing eyeballs: ESPN STAR Sports never had it so good

Fund Frenzy

MFs are spending on brand-building. What about returns?

IF INDIA IS THE FLAVOUR FOR INSTITUTIONAL investors, it would seem like only a matter of time before the domestic investing fraternity moves away from traditional avenues for returns and parked their stash in mutual funds (MFs). The Indian MF industry is still grossly underpenetrated—so far, the penetration level of the industry is around 3 per cent of the total investor saving, of which, 70 per cent comes from urban regions and 30 per cent from semi-urban and rural india—and if the long-term India story is for real, there's plenty of potential waiting to be tapped. A number of global financial goliaths believe so, which explains why a number of them, including JPMorgan, AIG and Dawnay Day Financial, are preparing to set up asset management

Rs 67,523 crore in 2004-05, a growth of 30 per cent. And the mobile telephony market in 2005-06 was worth Rs 35,879 crore, a 63 per cent growth over the previous year's Rs 22,011 crore (for the first time in India, mobile telephony services earned more than fixed telephony ones).

Then, these very facts—the growth in the Indian telecom market and the zooming valuation of telcos—are probably the very ones that convinced Birla, a commodities czar, of the inherent sense of not just having a play in the business, but investing enough money to make it a significant one.

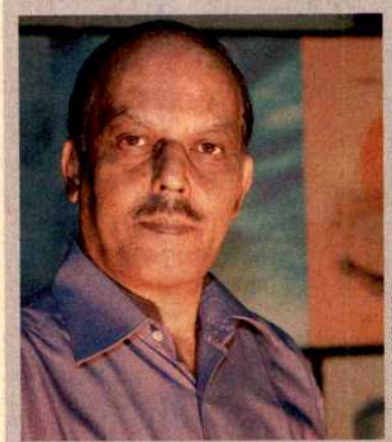
Idea, originally Birla AT&T was a joint venture of the Aditya Birla Group and AT&T, was part of the first wave of de-regulation in the Indian telecom sector, when companies bid for and were awarded mobile telephony licences.

Subsequently, the Tata Group merged its GSM interests (the group has a significant play in telecom on the other technology platform, CDMA, through Tata Teleservices, under the brand name Tata Indicom) with this firm to spawn Birla-Tata-AT&T. In the early 2000s, Birla-Tata-AT&T and BPL Communications agreed to merge their mobile telephony businesses, something that could have created a behemoth that could have held its own against the might of Bharti Airtel, Reliance Infocomm, and Hutch. The merger, which was announced with much fanfare, never happened. Birla-Tata-AT&T decided to go it alone, rebranded the offering Idea, and launched services in new markets such as Delhi. However, in 2005, Cingular, which acquired AT&T Wireless globally, sold its stake in Idea to the Indian promoters who then embarked on a battle for control. In the process, Idea didn't just lose out on realising its growth potential in a market that was seeing the subscriber base doubling almost every 12 months, but also couldn't tap a stock market hungry for quality IPOs.

All that has changed with Idea now coming under the complete control of the Aditya Birla Group; the applications for new licences and the proposed foray into NLD reiterate that. Idea Cellular (it is headed by Vikram Mehmi) declined to speak with *Business Today* for this article, but the buzz in Mumbai's financial circles is that the company will soon make a formal announcement on placing 33 per cent of its equity with financial investors. That should give the company some serious currency to fund its growth plans. This, it would appear, is an idea whose time has come.

Something's Ticking At HMT

Why is the loss-making PSU's stock up?



DEEPAK G. PAWAR

HMT's Zahed: Reason to smile

FOR THE CHAIRMAN OF A COMPANY that reported Rs 113 crore in losses on revenues of Rs 931 crore in 2005-06, M.S. Zahed is full of beans. But then he's got good reason. In the three-and-a-half years that he has been at the helm of Hindustan Machine Tools (HMT) as its Chairman and Managing Director, Zahed has seen the PSU stock rise five-fold to Rs 62 (on July 10). The losses at the company—which makes everything from watches to tractors to machine tools—are down from a record Rs 300 crore in March 2002-03, and a raft of restructuring moves, including sale of land, downsizing, and a strategic partnership with Godrej & Boyce for watch marketing, has raised hopes of a turnaround at HMT. "We have repositioned the company's product portfolio towards high technology machines in the machine tools segment and that is yielding results," says Zahed, alluding to the fact that HMT is still a significant player in the machine tools industry.

The government, on its part, has already pumped in Rs 335 crore for a revival plan for the bearings and Praga tools division. The board for reconstruction of public sector enterprises has cleared an additional Rs 835-crore package for the other five HMT units. Besides, HMT has earned Rs 500 crore by selling some of its real estate. "We will use the funds infused by the government to retire high-cost debt and towards capital expenditure to upgrade technology and enhance market presence," says Zahed. There's plenty more of real estate left to go at HMT (actually, some 3,000 acres of prime land across the country), but Zahed says that "we will use that only as a last resort". A real turnaround may be a long way off at HMT, but the land stock is really what HMT's investors may have their eye on.

VENKATESHA BABU

Current

Big Idea

The Aditya Birla Group-owned Idea Cellular sends out a message that its time has come. KRISHNA GOPALAN

BHARTI AIRTEL, RELIANCE Infocomm, and..., Idea Cellular? In terms of number of circles that could well be; Idea has applied to the Department of Telecommunications for unified licences in 12 additional circles. With the eight circles in which the telco already operates, and the three where it is close to commencing operations, that will take the company's overall presence to 23 circles and bestow it with a pan-Indian presence, something that only Bharti and Reliance can claim today.

That presence should translate into more subscribers (indeed with the GSM telephony market growing at over 4 per cent a month or close to 50 per cent a year, all a company needs to do, it would appear, is just be there and not go wrong with the basics), and, in turn, into more revenues.

By some estimates, Idea's revenues for 2004-05 were Rs 2,409 crore and earnings before interest, taxes depreciation and amortisation (EBITDA), Rs 874 crore (for the first nine months of 2005-06, revenues were Rs 2413.8 crore, while net profit was Rs 95.1 crore after a one time additional depreciation of Rs 65.2 crore). The company is also believed to be orchestrating an entry into national long distance (NLD) telephony, which would mean that it can carry long-distance calls originating on its own network on its own NLD network.

That's a significant statement of interest for the Aditya Birla group that owns a 98 per cent stake in Idea, after its June 20 acquisition of the Tata Group's 48.14 per cent stake in the company (following a rather acrimonious battle between the two firms). At one stage, the group had decided to exit the business, and only reconsidered its decision because the regulatory environment became much clearer.

"We were in exit mode, but thought that under the new circumstances, it made sense to keep telecom as a strategic business," the group's Chairman Kumar Mangalam Birla had told *Business Today* in the course of an interview last year. Only, with the application for new licences, Idea Cellular is clearly no longer a strategic investment or business for Birla. It is one that holds the promise of growth.

Birla acquired the Tata Group's stake for Rs 4,406 crore, giving Idea a valuation of Rs 9,150 crore. A pan-Indian presence should increase that significantly, and enhance the attractiveness of the company some, a definite benefit should an initial public offering be on the way (*Business Today* learns it is).

Birla couldn't have picked a better time or a better sector. Not too long back, the Hinduja Group offloaded its 5.11 per cent stake in Hutchison Essar to Hutchison for Rs 2,070 crore. And according to a recent report released by *Voice & Data* magazine, the telecom services market in India was worth Rs 87,962 crore in 2005-06, up from

SOUMIK KAR

A.V. Birla Group's Birla: He has an idea

THE MAJOR LEAGUE

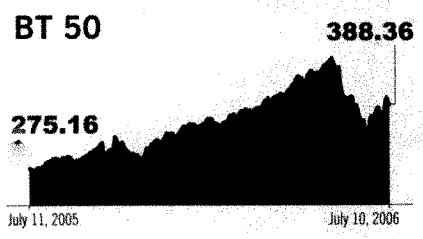
Idea can now stake claim for membership.

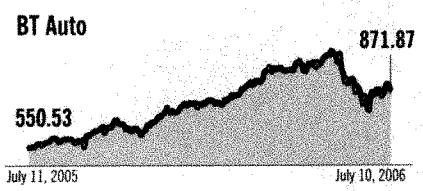
COMPANY	CIRCLES	SUBCRIBERS*
Bharti Airtel	23	21.86
Reliance Infocomm	21	19.6
Hutch Essar	16	16.77
Tata Teleservices	20	9.99
BSNL	21	18
Idea	8	8.06

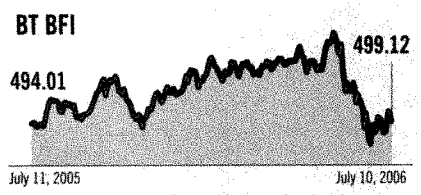
*Figures in million (May, 2006) Source: COAI, AUSPI

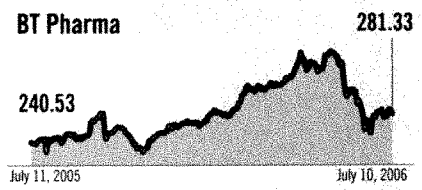
THE BT 50 INDEX

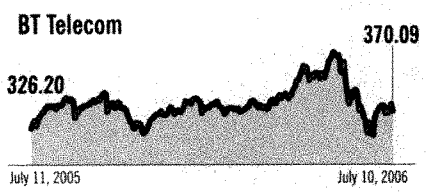
Markets are still volatile.

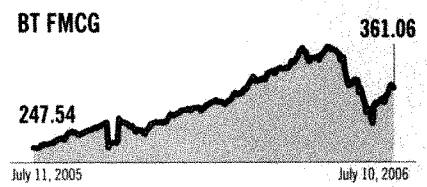


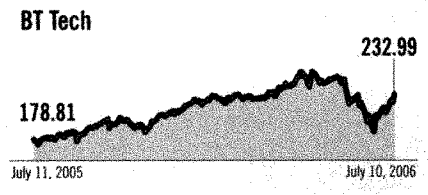








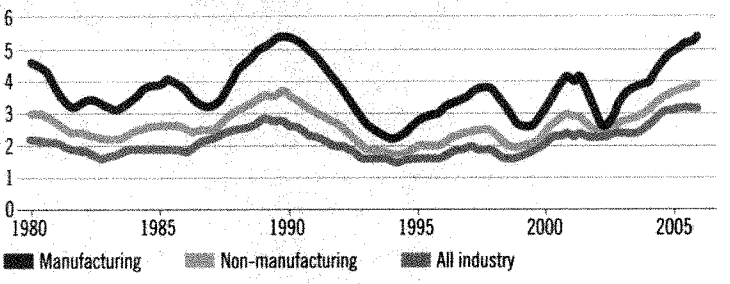




JAPAN'S ECONOMY IS SET ON A RECOVERY PATH

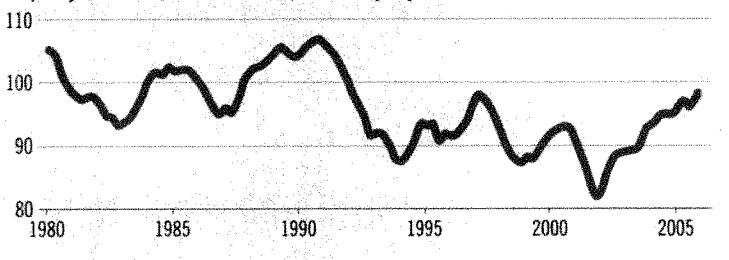
Nippon Inc Is Now Healthier

Improved demand has led to higher corporate profit margins.
(Four-quarter moving average in per cent)



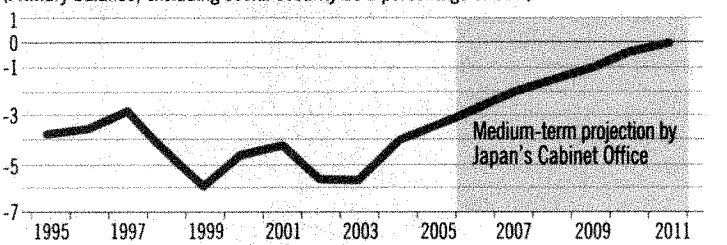
It's Moving Ahead At Full Throttle

Japanese companies are getting back to full speed.
(Capacity utilisation, 1980-89=100; seasonally adjusted)



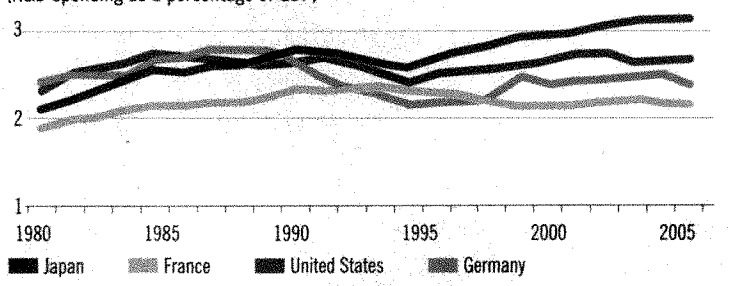
The Macro-economic Picture Is Also Improving

Japan's primary deficit is falling and could edge close to a surplus by 2011.
(Primary balance, excluding social security as a percentage of GDP)



And It Is Investing For The Future

Japan's research and development spending is higher than competitors.
(R&D spending as a percentage of GDP)



Source: Ministry of Finance, government of Japan, and IMF

GRAPHICS BY PINAKI PAUL

DEALTRACKER

aban

DEAL OF THE MONTH

BUSINESS TODAY-ERNST & YOUNG

Deal Watch

Beginning July 2005, *Business Today* began publishing a monthly listing of India Inc.'s biggest deals. Our partner: Global professional services firm Ernst & Young. Here are the deals that were struck in June 2006.

Deal Particulars: Oil drilling major Aban Loyd has acquired a 33.76 per cent stake in Norwegian drilling company Sinvest for $446 million (Rs 2,051.6 crore). Control over Sinvest's assets will place Aban Loyd among the top 10 offshore drilling service providers in the world. About 80 per cent of the acquisition cost will be financed by debt, while 20 per cent will be funded through equity.

Impact Analysis: The drilling rig market has heated up over the past year due to increasing petroleum exploration and production activity. Daily charter rates have shot up by 3-4 times over the past year. The rig-building yards also have full order books and an order lead time of approximately three years. The deal, thus, will help Aban Lloyd leverage these advantages to the fullest. This is Aban Lloyd's second acquisition this year. In February 2006, it had acquired a 100 per cent stake in West Africa Drilling Company.

TARGET	ACQUIRER	INDUSTRY	TYPE	DEAL VALUE (Rs crore)	STAKE
Sinvest, Finland	Aban Loyd Chiles Offshore	Oil & Gas	Acquisition	2,050	34%
Sterling Hospitals	Actis Private Equity	Healthcare	Investment	72	41%
Enabler, Portugal	Wipro	IT	Acquisition	240	100%
SembCorp Engineers and Constructors, Singapore	Punj Lloyd	Automotives	Acquisition	102.6	88%
Malanpur Captive Power	Crompton Greaves	Electrical Goods	Acquisition	16	59%
Enterprise Computing Services Inc, US	Core Projects and Technologies	IT	Acquisition	Undisclosed	24%
Sabah Forest Industries, Malaysia	Ballarpur Industries, JP Morgan	Paper	Acquisition	1,174.5	98%
Sterlite Gold, Canada	Vedanta Resources	Metals	Acquisition	285	55%
Saraware Oy, Finland	Wipro	IT	Acquisition	147.5	100%
Mphasis BFL	Electronic Data Systems Corporation	IT	Acquisition	1,750	52%
Nexplicit, US	Scandent Group	IT	Acquisition	Undisclosed	100%
Distant Frontiers	Kuoni Travel Group	Travel & Tourism	Acquisition	Undisclosed	100%
Jingri Industrial Diamond Company, China	Carborundum Universal	Mining	Investment	20	49%
Nutrine Confectionary Company	Godrej Beverages and Foods	Consumer Goods	Acquisition	250	100%
Roseby's, UK	GHCL	Retail	Acquisition	180	100%
Recreate Solutions	Corpus, USA	Telecom	Acquisition	Undisclosed	100%
Bonomi Belgium Ventiel	Sakthi Sugars	Food Processing	Acquisition	Undisclosed	52%
Bouvet-Ladubay, France	United Breweries Group	Wine	Acquisition	67.5	100%
7 products from P D Pharmaceuticals, South Africa	Glenmark Pharmaceuticals	Pharmaceuticals	Acquisition	Undisclosed	N.A.
Candid Marketing Services	International Marketing and Sales Group, UK	Advertising	Acquisition	16	66%
GV Films	BNP Paribas and Associates	Media	Investment	100	25%

Deal Watch includes only M&As, private equity and brand sale transactions N.A.: Not available

Ernst & Young is a leading M&A advisor in India. While every care has been taken to compile this data, it is based on media reports, company announcements and other secondary research. Any decision on the basis of the above mentioned information should be taken only after professional advice. Business Today or Ernst & Young do not undertake any responsibility in regard to any such decision.

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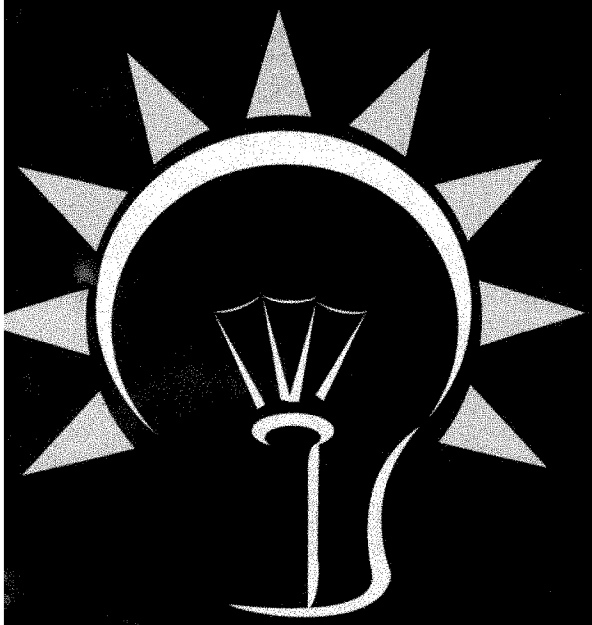

It took Thomas Alva Edison about 1½ years of research but just 1 second to light a bulb.

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we believe those 1½ years of research were the key.

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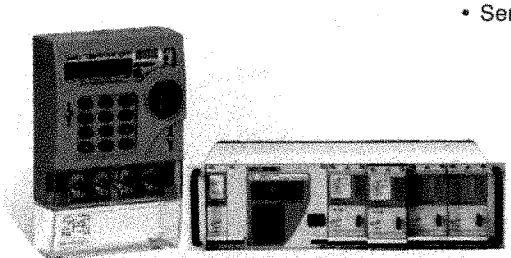
- Four world class manufacturing facilities
- Largest exporter of metering products from India
- Serving customers in forty countries.

Crayons



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ANNOUNCED: By Tata Sons Chairman Ratan Tata, a decision to raise his group's stake in Tata Steel by 7 per cent to 33 per cent to ward off any future takeover threats.

PLANNED: By Volvo, the launch of two cars in India during the fourth quarter of this year. The company says it will introduce its S80 and XC90 models through three dealerships it will establish.

REOPENED: The historic Nathu La Pass linking Sikkim with Tibet on Thursday, July 6, 2006, after a gap of 44 years. This is expected to faciliate the expansion of trade between India and China.

SIGNED: By the UB Group, an agreement with French wine major Taittinger to buy 150-year-old vintner Bouvet-Ladubay, one of Europe's most respected wine producers for €15 million (Rs 87 crore). UB Group had, earlier this year, bid unsuccessfully for Taittinger itself.

PROPOSED: By billionaire investor Kirk Kerkorian, a three-way partnership between General Motors, Renault and Nissan. The Nissan board of directors has deputed its CEO Carlos Ghosn to hold exploratory talks in this regard with the US auto giant.

DIED: Kenneth Lay, disgraced founder of the now bankrupt Enron Corporation, of heart attack in Aspen, Colorado. He was 64. Lay, who was convicted in May for spearheading the fraud that brought Enron down, was due to be sentenced in October.

PLANNED: By the Bombay Stock Exchange a 26 per cent sale of equity to a strategic investor. A further 25 per cent will be offloaded through an initial public offering by May next year, says Rajnikant Patel, CEO and MD, BSE.

PROPOSED: By the urban development ministry, a realty regulator to monitor the price rise in the real estate sector. Also planned are state regulatory commissions on the lines of electricity regulatory commissions. The government will introduce the Real Estate Management Regulation and Control Bill, containing these provisions, in the monsoon session of Parliament.

MOST EXPENSIVE CITIES IN THE WORLD

Rankings MARCH 2006	Rankings MARCH 2005	CITY	COUNTRY	INDEX MARCH 2006	INDEX MARCH 2005
1	4	MOSCOW	Russia	123.9	119
2	5	SEOUL	South Korea	121.7	115.4
3	1	TOKYO	Japan	119.1	134.7
4	9	HONG KONG	Hong Kong	116.3	109.5
5	3	LONDON	United Kingdom	110.6	120.3
68	105	MUMBAI	India	79.9	70.8
73	110	NEW DELHI	India	79.0	69.9
139	141	BANGALORE	India	56.4	51.7

Cost of living comparisons in dollars for 2006 on the basis of purchases at medium-priced establishments. Source: Mercer Human Resource Consulting

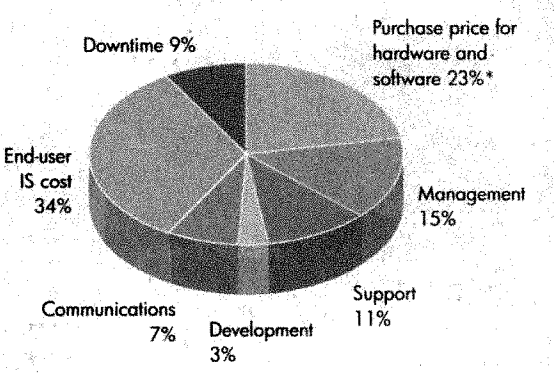
OBITUARY
ARUN KUMAR

ARUN KUMAR, 58, A FORMER Chairman of India's National Association of Software and Services Companies (Nasscom), and president and CEO of Flextronics Software (formerly Hughes Software Systems, this is now 85 per cent owned by buyout major KKR), died of a cardiac arrest on July 7. When Kumar signed on with HSS in 1995, it was a 50-employee operation; today, it is a 5000-employee one. An avid golfer, and a regular at the annual PRO-AM tournament organised by this magazine, Kumar was holidaying in the US, in San Diego, at the time of his death. Kumar was an alumnus of IIT Kanpur, and in September 2000 was shortlisted for Ernst & Young's prestigious *Entrepreneur of the Year* award. The soft-spoken Kumar was popular with employees; HSS was twice named a best company to work for in India by this magazine. "Arun Kumar was always willing to spare time for the industry and came forward to help us even after he completed his term in 2003," recalls Kiran Karnik, President, Nasscom. "He has mentored several young start-ups."

GET SMART. GET THE HP COMPAQ dc7600 DESKTOP PC.

Did you know that 77% of your computer's cost hits you after you bought it? It is estimated that the purchase price in case of desktop computers, forms only 23% of the total cost of ownership So where does most of your money go after you have bought the desktop for your office? It goes into maintenance, upgradation and general troubleshooting. It thus naturally follows that the computer hardware system with the lowest purchase price may not necessarily be the most cost effective system.

Life-cycle cost of a Desktop



WHAT IS T.C.O.?

What exactly is "Total Cost of Ownership"? In layman terms, Total Cost of Ownership or TCO is the sum total of all the costs incurred to keep any product, in this case a computer, operational and productive throughout its life cycle. This would include all costs related to purchase, maintenance, upgradation, etc.

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Keeping this factor in mind, HP has introduced a specialized range of desktops targeted at corporate business houses. Giving you worry-free office infrastructure with high performance capabilities at a minimal TCO. The HP Compaq dc7600 Desktop PC has been designed specifically to cater to the office of the future.

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The HP Compaq dc7600 Desktop PC offers thermal alerts for preventing damage due to overheating as well as ensuring optimal cooling and power usage; Altiris Local Recovery software for extra data security; HP Client Manager software for image development, asset tracking, inventory management, fault detection and more.

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Pyongyang: North Korea's test of at least seven missiles, including a long-range one, on July 5 rattled the already jittery oil markets and pushed crude prices past the $75 mark. Says Ric Navy, Vice President of the BNP Paribas Bank: "The fundamentals are adequate, but the psychology of the market tells you there's a lot of nervousness." That's not very good news for oil guzzling economies both in the West and in Asia.

VERBATIM

"We exceeded all of our football and business goals for the World Cup"

Herbert Hainer, *CEO, Adidas, which projects its soccer-related sales in 2006 to exceed €1.2 billion (Rs 6,960 crore), to* Reuters

"I tell the boys that 30 per cent of them are going to work for Chinese or Indian companies. They're going to be judged on what they are and can do, not where they come from"

Liam Maxwell, *a teacher at Eton College, in* Time

"I have lived the dream. I am extremely proud to have worn the armband and been captain of England and for that I will always be grateful"

David Beckham, *Captain of England's World Cup football squad, in his resignation speech, in* Daily Express

"There is no personal clash as I have high regard for Dr Venugopal"

Anbumani Ramadoss, *Union Health and Family Welfare Minister, on his decision to sack the AIIMS Director, in* The Hindu

"Sometimes the problem is figuring out what the user means, not what the user said"

Douglas Merrill, *Head, Internal Engineering, Google Inc, on* BBC.com

"I am not unambiguously attached to reforms. I feel India has to compete with the rest of the world on its own strength"

Manmohan Singh, *Indian Prime Minister, in* The Economic Times

"I think it's fair to say we are very rapidly on the road back"

Rick Wagoner, *CEO, General Motors Corporation, on the fact that 35,000 workers had accepted payouts to retire, to* Reuters

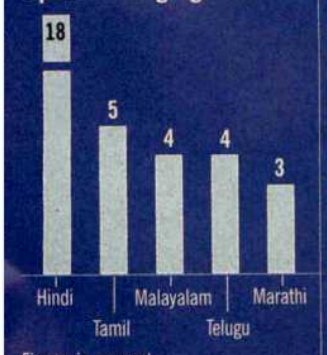
"Additional debt relief will help these countries channel resources into programmes that directly help the people who need it most"

Paul Wolfowitz, *President, World Bank, on the World Bank's preparation to cancel billions of dollars of debt owed to it by many of the world's poorest nations, on* BBC.com

"The real contest between MasterCard and Visa is for the minds and hearts of bankers. Banks care about who gives a more profitable product"

Stuart Feldstein, *President of SMR Research Corp., a US-based market research firm, to* Reuters

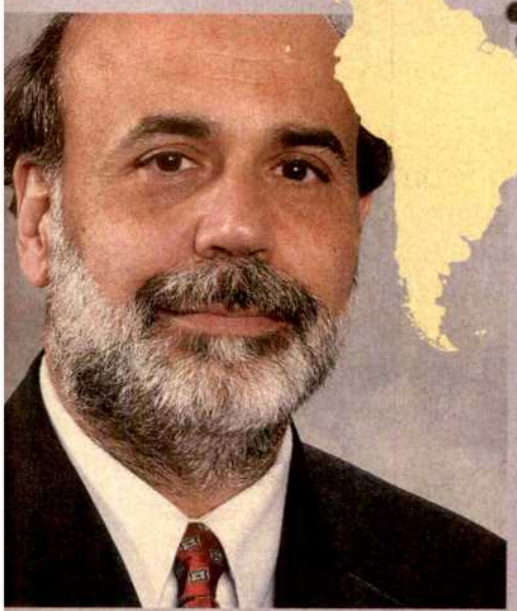
Top Indian Languages Online



Internet usage in India is booming, according to an "India Online" survey by internet research firm JuxtConsult. Its findings throw up some interesting facts about why people use the internet, including the fact the 27 per cent of users use the net for "dating and friendship". However, pornography, which, the Google Zeitgeist says, is extremely popular in India, was excluded from the survey. The findings are on the basis of 20,000 online responses and 5,500 face-to-face queries over 21 cities across the country. It has a +/- 5 per cent margin of error.

Source: Juxtconsult

New York: US employers added only 121,000 jobs in June, the US government reported on July 7, indicating that the world's largest economy is slowing down under the combined weight of high energy prices and rising interest rates. And if the US catches a cold, the world, including India, sneezes.



New York: The US Federal Reserve, meeting for the third time under its new Chairman, Ben Bernanke, raised US interest rates for the 17th straight quarter to 5.25 per cent, its highest level since March 2001. Bernanke later released a statement hinting at further rate hikes over the next few quarters. This is expected to send a signal to central banks around the world, including the Reserve Bank of India, to raise interest rates.

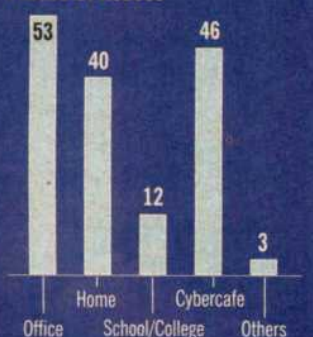
Kuala Lumpur, Singapore

The call centre business in Asia is boomin and how. A new study, by Kelly Services, says manufacturing, financial and outsourcing companies are still heading t India, Malaysia and Singapore, to manag their call centre businesses in Asia. Key industries looking to hire are ITES, IT, banking, financial services, automobile, telecom and insurance companies.

NET USAGE PATTERNS IN INDIA

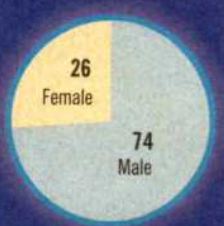
A recent survey tracks the internet surfing habits of Indians. Here are some of the findings.

Places Of Access*



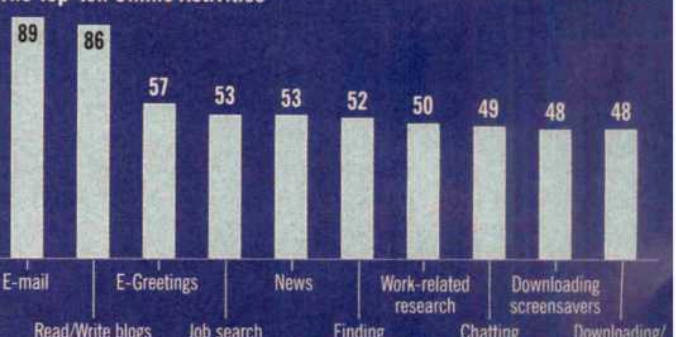
Figures in per cent

The Gender Divide



Figures in per cent

The Top-ten Online Activities*



Figures in per cent

* Figures add up to more than 100% because of overlaps

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NEWSMAKER
MANMOHAN SINGH

Reluctance to reform: Does Singh belong?

IS MANMOHAN SINGH THE WEAKEST PRIME MINISTER EVER? HIS decision to put disinvestments on hold conclusively proves it, claim those who say Singh holds office but does not rule. It is now clear that the Prime Minister's Office, which was the fount of power under previous administrations, wields little authority. The Prime Minister's capitulation was a knee-jerk reaction to DMK chief and Tamil Nadu Chief Minister M. Karunanidhi's threat to pull out of the United Progressive Alliance government if it went ahead with its decision to sell a 10 per cent stake in the public sector Neyveli Lignite Corporation (NLC).

This isn't the first time that Singh has buckled under pressure. He has not been able to prevent Railway Minister Lalu Prasad Yadav from instituting a separate inquiry into the Godhra carnage; he was caught totally unawares when Human Resource Development Minister Arjun Singh unilaterally announced reservations for OBCs; and he was unable to prevent the political shenanigans of his party colleagues in post-poll Bihar and Jharkhand.

It is a sad comedown for a man who, as the architect of economic reforms, can claim to have played a central role in lifting India's stature in the world. To be fair to him, he heads a minority regime that depends critically for survival on the support of its allies. And despite this, he has managed to push through contentious measures like the Indo-US nuclear deal, the privatisation of Mumbai and Delhi airports and the entry of single brand foreign retail chains. But his periodic statements reiterating his resolve to press ahead with economic reforms now sound shallow. Singh came into the country's highest executive office by chance. He has another three years to prove that he deserves to be there.

AMAN MALIK

NUMBERS OF NOTE

15 million: Number of people living in Mumbai, two-thirds of them in slums

$2.6 billion (Rs 11,960 crore): Net inflows from foreign institutional investors in the first six months of 2006, down 42.7 per cent from $4.54 billion (Rs 20,430 crore) in the corresponding period last year

80 per cent: Share of pirated software programmes in the Chinese PC market. China is the world's leading source of illegally copied music, and movies, and counterfeit designer clothes and other goods

9: The number of Indian CEOs out of 17 in L.N. Mittal's A-team. Nine of his 16 corporate directors are Indians

46 per cent: The proportion of private businesses owned by women in the US

$800 million (Rs 3,680 crore): The amount spent on the biggest cruise ship ever built. The Royal Caribbean-owned 160,000-tonne *Freedom of the Seas* can accommodate 4,375 passengers

35 per cent: Proportion of India's population that lives on less than $1 a day, which is comparable to Bangladesh's 36 per cent and much worse than Pakistan's 17 per cent

$260.3 billion (Rs 11,713.5 crore): Total amount gifted to charity in the US in 2005

660,000: Number of individuals who made high value purchases in 2005-06; of these, only 184,980 people declared their permanent account number as required by law; the remaining 475,019 people did not

5: The number of Indian firms that figure in the annual *BusinessWeek* list of top 100 infotech/telecom companies. The companies are Bharti Airtel, TCS, Infosys, Satyam and Wipro

130 million: The number of visitors per year that China will attract by 2010, according to the World Tourism Association

Over 5 million: Sales of personal computers in India in 2005-06, a 32 per cent growth over the previous year

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4. Who makes your work easy?

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P-WATCH

A bird's eye view of what's hot and what's not on the government's policy radar.

DISINVESTMENT: EVEN THE TRICKLE NOW STOPS

AP

Disinvestment stops: Thanks to DMK

WHEN PUSH COMES TO SHOVE, THE Prime Minister yields. And so, the minority stake sale exercise in PSUs has come to a grinding halt. And, the 'veto' was exercised by the UPA government's allies, the DMK party, following the Centre's recent move to sell a 10 per cent stake in Neyveli Lignite Corporation. DMK's threat to withdraw support to the government did the trick, but it equally dealt a big blow to the 'pro-reform' image of the government.

Evidently, the disinvestment process has come a full circle—public sector units were considered family silver not very long ago; then came a phase during the previous NDA regime when some of the companies were privatised; this was followed by the unfurling of red flag resulting in disinvestment flows reducing to a trickle with only minor stake sales in companies like NTPC; and now, it has come to a grinding halt. Surely, some good things need not come to an end.

BALAJI CHANDRAMOULI

WILL HIGHER INFLATION BITE INDUSTRY?

THE RESERVE BANK OF INDIA'S (RBI'S) FORECAST OF AN INFLATION RATE OF 5-5.5 per cent this year is worrisome, for it is over 30 per cent of that recorded at the beginning of this fiscal. Is it harsh enough to drag down the industry? Not this fiscal, argue experts. "While external pressures like spiking crude oil prices will immediately impact costs, the effects of inflation will catch up next year, since there is a lag in its impact. Furthermore, our estimates indicate an inflation rate that is only a trifle higher," says Bhanu Murthy, Associate Professor, Institute of Economic Growth (IEG). Forget competing estimates, the sting clearly lies in the tail.

BC

MOVES AFOOT TO TAP MINERAL WEALTH

AT A TIME WHEN GLOBAL COMMODITY PRICES ARE SHOOTING THROUGH THE roof, what is holding back investments in the domestic mineral sector? The first reason is the Government's Red Tape, reflects the Hoda committee report. The committee has recommended a slew of measures to fix this problem—seamless grant of mining licences from reconnaissance stage to actual mining, auctioning of delineated mines and granting security of tenure to mining companies. The report has something for the owner of the assets, the states, too. It has proposed higher rent for the states, by switching from the prevailing system of fixed rate taxes to ad valorem rates. Importantly, the panel has also suggested that states give preference to those companies that offer to set up an industry in the state itself. Now its time to act on these recommendations.

BC

NO TRADERS PLEASE

IF YOU ARE A TRADER, DON'T BOTHER trying to relocate to the hottest address in the country—the special economic zones (SEZs). The government has barred traders from setting up shops in these tax shelters and has recently informed officials manning the SEZs not to approve applications made by the traders. This move is aimed at curbing the revenue loss that would arise when traders selling in the domestic market move their operations to an SEZ, which is a tax holiday zone. Advantage manufacturing.

BC

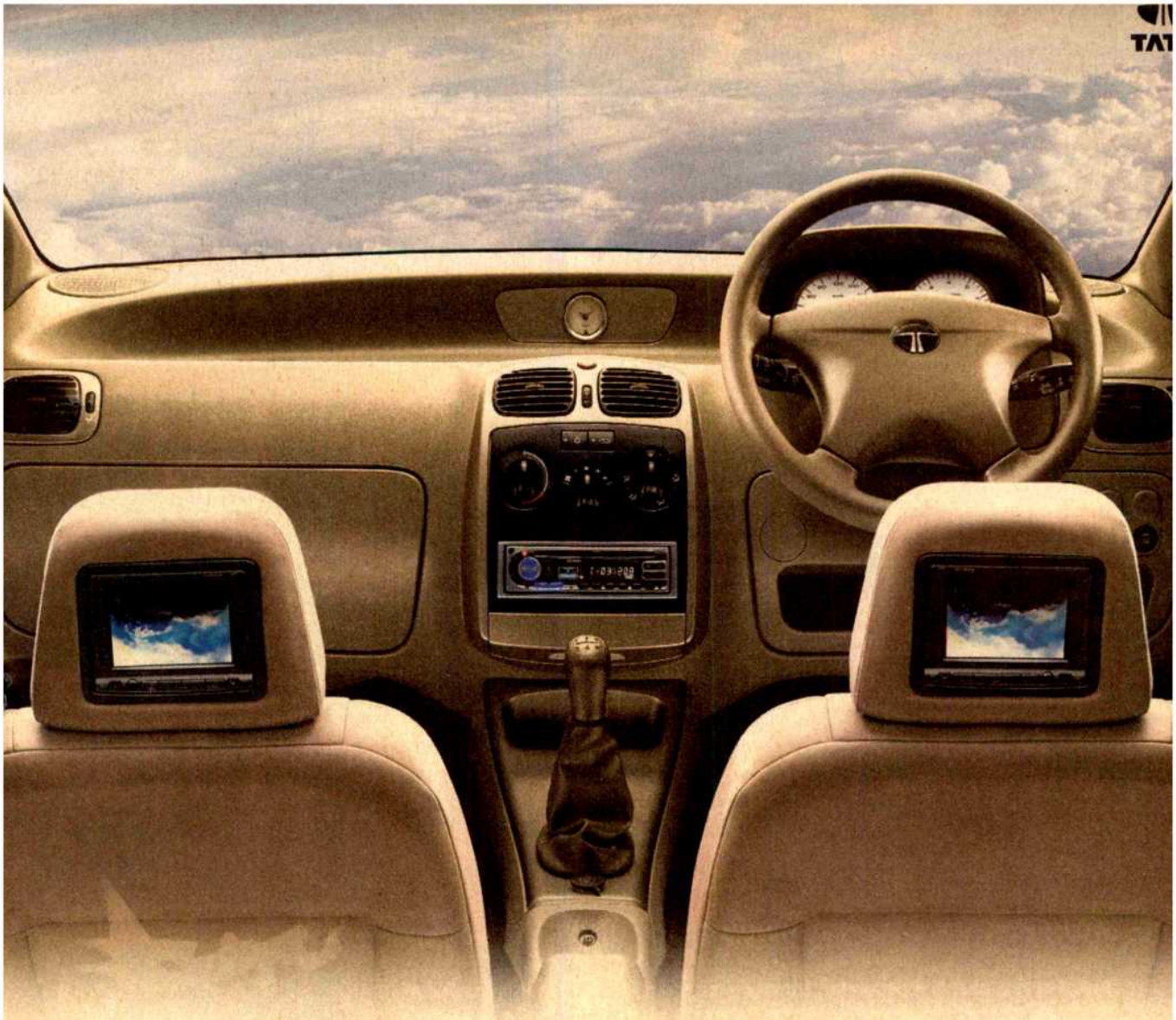
BANDEEP SINGH

Air travel: Cheap no more

SHORTER LEASE OF LIFE

THE AIRLINE INDUSTRY THRIVES ON leasing and purchases of aircraft are few and far between. In this backdrop, the civil aviation ministry has issued guidelines that forbid companies from dry leasing aircraft (leasing only the aircraft and not the crew) from foreign airlines. This is aimed at ensuring that no foreign airline exercises direct or indirect control over the Indian venture. While there are large leasing firms not affiliated to any airline, this will reduce the available options and perhaps raise the cost of leasing; in turn, you could end up paying more to fly.

BC



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TOP OF MIND

Turn Your PC Into A TV

What is it: The Slingbox is a device that enables you to watch TV programming from wherever you are on your computer. This means you can catch your favourite Indian soap in the US, Germany, Japan or Timbuktu (if they have internet there) on your laptop

How does it work: Just connect the Slingbox to a TV source and the internet. This enables it to transmit the TV signals to a computer running Windows anywhere in the world

Where was it developed: It was developed almost entirely by the Bangalore centre of Sling Media, a San Mateo, California-based start-up

Is it available in India: No, but it will be launched here soon

How much will it cost: The Sling box retails for $249 (Rs 11,454) in North America, but prices are expected to be lower in India

RAHUL SACHITANAND

Autorickshaws In Albion

***Tuk-tuks*:** Going global

What is it: It's India's very own autorickshaws, or *tuk-tuk*s as some people call them

Why is it in the news: Domimic Ponniah, a 26-year-old Briton of Sri Lankan origin, has started a public transport service with 12 of these in the British seaside town of Brighton. He has added side impact bars and seat belts, painted the Union Jack over them, and is running a point-to-point service like a bus

What's next on his agenda: Ponniah plans to expand his services to London and Manchester over the next year and later, to other European cities

What is the main selling point: These *tuk-tuks* run on compressed natural gas, so emission levels are close to zero. That's what make them popular in environment-conscious Europe

What does Bajaj Auto have to say: "He did what?" asks an incredulous executive, before reverting to a more corporate sounding "no comments"

Now what: Next time you visit Old Blighty, you can tell the natives: "We invented that thing"

KUSHAN MITRA

ECONOMY WATCH

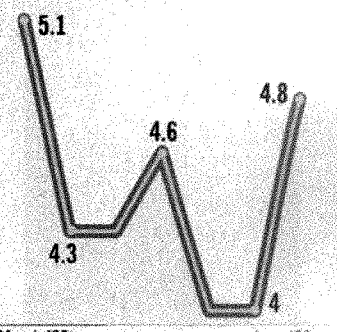
INFLATION

Status: Rising steadily

Impact:

- Short term interest rate to firm up, depositors to benefit
- Corporate expansion plans, bottom lines to be hit
- Essential items to cost more
- Investors will be discouraged from investing in fixed income assets

Follow The Worm



June figure is for the week ended June 24 announced by the government on July 7, 2006

Source: RBI

PINAKI PAUL

TAX COLLECTIONS

Status: Headed north

Impact: Total tax collections, both direct and indirect, have grown over 20 per cent per annum over the last two years. According to the April-June figures, direct tax collections are up. Income tax collections are up 46 per cent and corporate tax collections 55 per cent over the corresponding period last year. Indirect tax collections, too, are buoyant. Customs collections are up 34 per cent, excise 10 per cent and service tax an impressive 50 per cent compared to the corresponding period last year. The Fringe Benefit Tax and the Cash Withdrawal Tax up to May have contributed Rs 105 crore and Rs 78 crore, respectively, to the revenue kitty.

COMPILED BY ANAND ADHIKARI AND SHALINI S. DAGAR

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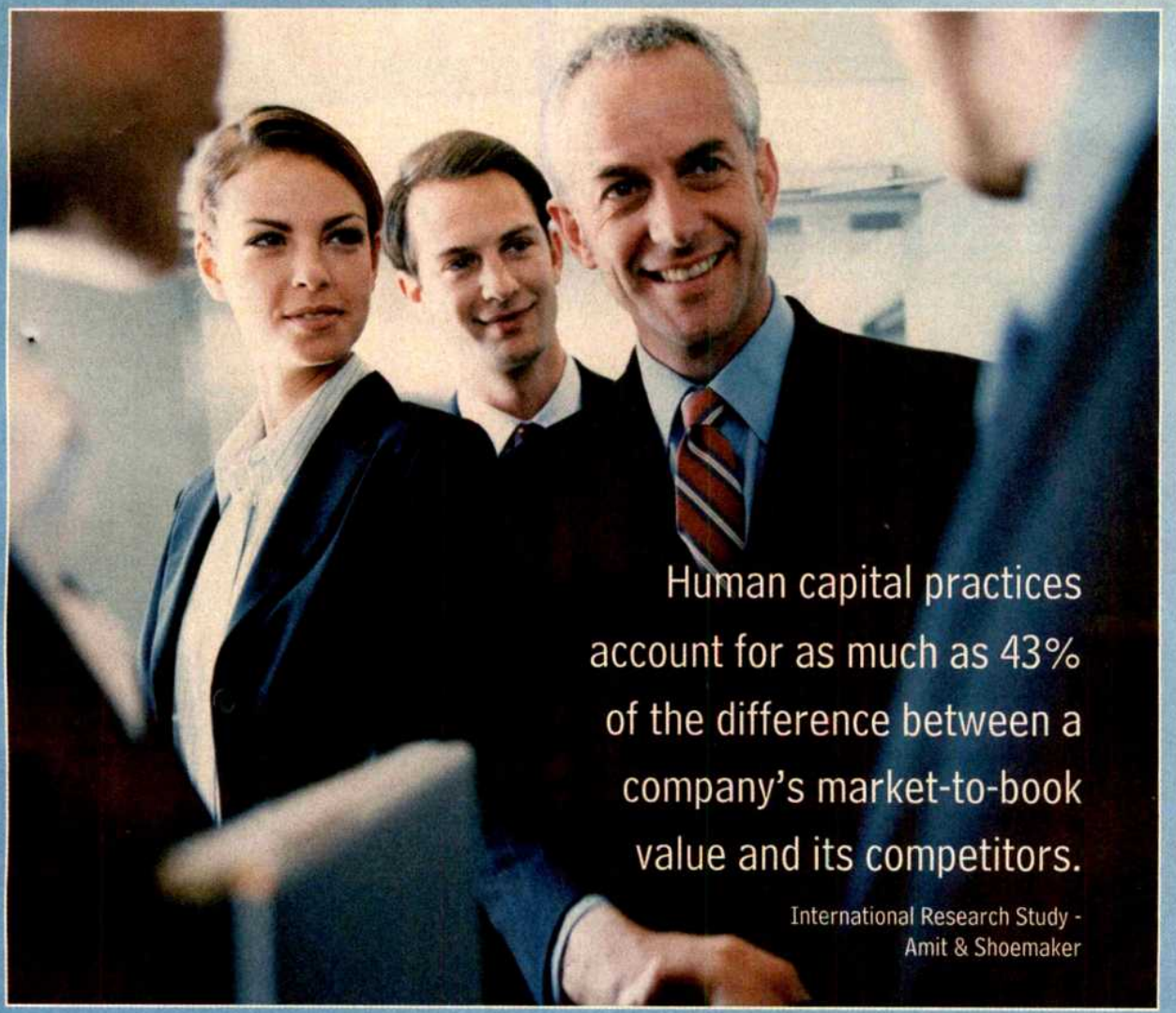

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When The Bulls Were Felled

The April-June quarter proved eventful, to put it mildly. Mutual funds were hit hard by the aftershock, finds a *BT*-MUTUALFUNDSINDIA.COM study.

IN JUST ONE MONTH, THE SENSEX plunged to 9,000 from the peak of 12,600 it touched on May 10. Although it did claw back over the next few weeks, the Fed rate increase, huge outflow of FII (foreign institutional investors) money, weak global markets and overstretched valuations eroded the gains of the longest bull run in the history of Dalal Street. During the quarter, the BSE Sensex and the S&P Nifty plummeted 6.17 per cent and 8.5 per cent, respectively. Overall, an eventful quarter with markets seesawing up and down.

Amid the heavy selling, domestic mutual funds tried to hold the market, buying heavily in equity in April and May, but they started selling in June. Overall, they made net investments that were Rs 8,605 crore more than what the FIIs pulled out during the quarter ended June 2006.

Mutual funds surprisingly reported a 20 per cent growth in assets under management (AUM) for the quarter, with assets crossing the Rs 2,50,000 crore mark for the first time. Interestingly, Prudential ICICI Mutual Fund overtook UTI Mutual Fund to emerge as the largest mutual fund, crossing Rs 32,000 crore in AUM in May.

However, fund returns could not outdo the broad indices. Of the

In The Eye Of The Storm

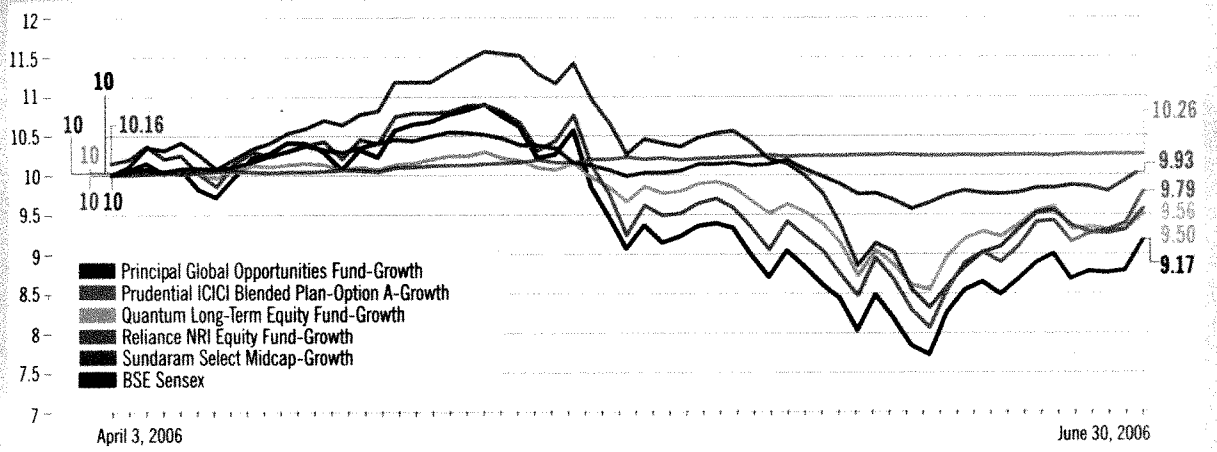
Returns in all fund categories were hit this quarter by the market crash. Income and liquid funds held up best while tax-savers and diversified funds tanked the worst.

SCHEME	RETURNS
EQUITY DIVERSIFIED	
Prudential ICICI Blended Plan-Option A-Growth	3.04
Principal Global Opportunities Fund-Growth	-0.76
Sundaram Select Midcap-Growth	-1.04
Reliance NRI Equity Fund-Growth	-1.48
Quantum Long-Term Equity Fund-Growth	-4.40
Average	-12.63
INCOME	
DBS Chola Income Plus-Growth	3.11
Benchmark Derivative Fund-Growth	2.70
Prudential ICICI LTP-Cumulative	1.91
Grindlays SSIF-MTP-Plan A-Growth	1.89
Kotak Flexi Debt Fund-Growth	1.85
Average	1.22
ELSS	
Franklin India Index Tax Fund	-8.27
SBI Magnum Tax Gain Scheme 93	-10.81
HDFC Taxsaver-Growth	-10.90
Escorts Tax Plan-Growth	-11.04
BOB ELSS 96	-11.70
Average	-14.54
BALANCED	
Reliance RSF-Hybrid-Growth	6.20
Can Balanced II	-3.01
JM Balanced-Growth	-5.03
Prudential ICICI Balanced-Growth	-5.97
HDFC Prudence Fund-Growth	-6.32
Average	-7.71

SCHEME	RETURNS
LIQUID-REGULAR	
Prudential ICICI Sweep Plan-Cash Option-Growth	1.66
Tata Liquidity Management Fund-Growth	1.65
LIC MF Liquid Fund-Growth	1.65
Reliance Liquidity Fund-Growth	1.64
Canliquid Fund-Growth	1.63
Average	1.44
LIQUID-IP	
Prudential ICICI Liquid-Super IP-Growth	1.67
ING Vysya Liquid Fund-Super IP-Growth	1.66
Birla Cash Plus-Institutional Premium Plan-Growth	1.66
Principal Cash Mgmt Fund LO-Inst Prem. Plan-Growth	1.65
Kotak Liquid-Inst Premium Plan-Growth	1.64
Average	1.58
MIP	
ING Vysya MIP-Plan A-Growth	1.39
Birla MIP II-Savings 5-Growth	1.17
HDFC Multiple Yield Fund-Growth	0.97
SBI Magnum MIP-Growth	0.96
HSBC MIP-Regular Plan-Growth	0.62
Average	-0.56
SECTOR	
SBI Magnum Sector Umbrella-Infotech	-6.60
Franklin Infotech Fund-Growth	-8.65
Kotak Tech Fund	-8.90
SBI Magnum Sector Umbrella-FMCG	-9.55
UTI Thematic Auto Sector Fund-Growth	-9.81

Absolute returns in percentage for the April-June 2006 quarter as of June 30

Sensex Vs Top Five Equity Funds

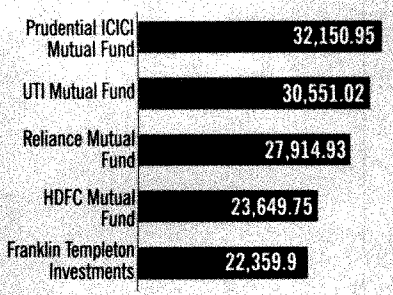


The graph plots the net asset values (NAVs) in Rs of the top five equity funds with Sensex levels (after conversion to common base values)

GRAPHICS BY PINAKI PAUL

Asset Leaders

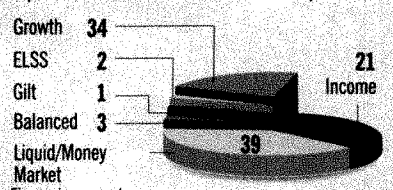
The Big Five in respect of total assets under management (AUM).



Figures in Rs crore as on May 31, 2006

Share Of The Pie

In terms of corpus, growth and liquid funds dominated the quarter.



Figures in per cent

	Open End	Close End
Income	31,126	26,310
Growth	87,918	5,830
Balanced	6,475	804
Liquid/Money Market	1,08,854	-
Gilt	2,788	-
ELSS	4,975	1,263
TOTAL	2,42,136	34,207

Figures in Rs crore as on May 31, 2006

NFO Report Card

The performance of equity diversified schemes launched during the quarter.

SCHEME	INCEPTION DATE	RETURNS SINCE INCEPTION ABSOLUTE (%)*
ABN AMRO Future Leaders Fund-Growth	Apr. 7, '06	-21.86
Fidelity India Special Situations Fund-Growth	Apr. 26, '06	-8.29
Standard Chartered Enterprise Equity Fund-Growth	May 16, '06	1.2
Sundaram Rural India Fund-Growth	Apr. 19, '06	-1.35
Templeton India Equity Income Fund-Growth	Apr. 20, '06	-4.8
Average		-7.02

*As on June 30, 2006

143 diversified equity schemes, 134 schemes (93 per cent) lost more than the Sensex, overall losing 12.73 per cent. Infotech funds survived the downside better and lost 11.49 per cent, while FMCG (fast moving consumer goods) funds posted negative returns of 12.56 per cent. MNC funds and pharma funds were the biggest losers with negative returns of more than 17 per cent.

Among balanced funds, Reliance RSF-Hybrid Fund bucked the trend with 6.20 per cent returns, emerging at the top. The average return for liquid funds (regular) was 1.44 per cent, higher than last quarter's 1.38 per cent. Prudential ICICI Sweep topped, with 1.67 per cent. The category average return for income plans was 1.22 per cent, with Chola Income Plus Fund leading with 3.11 per cent.

According to the Association of Mutual Funds of India (AMFI), 21 new schemes were launched till May end. But new fund launches slowed down in the quarter, with SEBI (Securities & Exchange Board of India) preventing open-ended schemes from amortising initial expenses over five years. Close-ended funds stayed in vogue, as markets turned volatile.

New SEBI guidelines in the last week of the quarter allowed funds to invest in real estate, and the first real estate mutual fund (REMF) is expected in about six months.

Although correction is healthy, its pace this quarter has been scary. Investors should identify risks carefully, ignore short-term volatility and enter equity for the long term. Mutual funds help investors diversify risk and to make systematic investments, the best way to combat volatility. Now is when you require patience to play the market. ■

Emerging India Series : An Impact Feature

Indian MNCs

The Indian elephant has woken up to an abundant world of opportunities and it is letting everyone know that it is determined to claim its rightful dues

Any lingering doubts about the veracity of the 'Indian MNC' concept should by now be firmly put to bed. Whether or not somebody tries to nitpick about where Mittal Steel's headquarters is located, nobody can deny India-born Lakshmi Mittal's mind-boggling (more than US$ 30bn) acquisition of Arcelor Steel. That said, this acquisition is news chiefly because of its global significance in the fragmented steel industry. Indian MNCs have been at it since 1991, when India opened its first window to the word after fifty years of not so splendid isolation.

Indian enterprises are visible in international markets, not just by selling software services or other exports but by investing and acquiring businesses. While an Asian Paints is painting the world red, Tata Motors is rolling out Trucks first seen in South Korea. It is also the same company which acquired Tetley Tea for US$ 502 million. Bajaj Auto and TVS are competing with the Chinese in geographies as diverse as Indonesia and Columbia. The other names are all too familiar: Infosys, Reliance industries Larsen & Toubro, Bharat Forge, Ranbaxy Laboratories, Birla Group, Videocon, Amtek Group,Dr. Reddy's Laboratories, Suzlon. Indian Oil, ONGC Videsh, Mahindra & Mahindra, Crompton Greaves, Welspun and Moser Baer.

Indian businesses are now gaining the size and confidence to be announcing plans for major greenfield investments in overse markets. Most eye catching is the Tata Group's proposal to inve $3 billion in four projects in Bangladesh, far more than the tot foreign direct investment in the country to date. The projects a estimated to add 1.9% to Bangladesh's gross national product an move its current-account balance of payments into surplus.

Through exports and outward investment, we are witnessin the creation of a group of new multinational companies owne and operated from India. In the next few years, more of thes businesses will join the two Indian companies that have alread made it into the Fortune 500 rankings, and some will begin t emerge as global leaders. These emerging Indian multinational are mostly clustered in the IT, pharmaceuticals, automotive an metals sectors.

During the 1990s, Indian industry went through majo restructuring to reduce costs, improve quality and face nev foreign competition. The domestic market grew, enabling India industry to scale accordingly. At the same time, technology an policy changes, especially in liberalising the telecom market enabled the growth of new knowledge-based businesses whic played to India's strength -- human capital.

India's private sector has reacted to the challenges an opportunities of liberalisation with staggering speed and success Excellent, competitive Indian firms with low-cost positions ar now in a strong position to seize the opportunities presented by a increasingly interconnected world.

Looking forward this trend can only speed up. Indian companies will grow bigger overseas and will gain the confidenc to make bolder investments and bigger acquisitions.

Crompton Greaves Limited: *A truly Indian Multinational*

Crompton Greaves is emerging as a strong international player in the transformer and switchgear segment

With the Acquisition of Belgium based Pauwels Group, a Rs 1600 crore specialised Transformer manufacturer, the Indian Electrical giant Crompton Greaves (CG) with turnover over Rs 2700 crore has emerged as one of the largest Transformer manufacturers in the world. The Company's combined turnover is now over Rs 4300 crore and its international business will now account for nearly 50% of its total turnover, taking it into the league of Multinational Companies. While pre acquisition CG's share of the Transformer market was 0.5%, post acquisition it has risen to 4%. More over this move significantly raises the contribution of Transformers and Switchgears to 65% of the combined group turnover.

With Pauwels in its fold, CG now has across the world manufacturing facilities in Belgium, Indonesia, USA, Canada and Ireland for its entire range of transformers. Crompton Greaves is now among the top 10 in the world in transformer manufacturing.

Apart from developed nations like USA, UK and Europe, it has a strong presence in the emerging markets of South-East Asia and Latin America.

Informs Mr. S M Trehan Managing Director of Crompton Greaves Ltd. " The acquisition was made after carefully evaluating a number of companies. Pauwels was chosen as it very well complements our operations". Before this move, CG's international business was mainly centered around South East Asian countries such as Malaysia, Thailand, Philipines, The Middle East and South America. In one masterstroke Crompton Greaves has gained access to European and American markets, something which was under consideration for some time now; but the prohibitive costs of such a move was holding it back. " We were looking to open up these markets but our brand is not yet well- known there, and establishing it would have taken us 10-15 years. Since the markets are exclusive, we do not have to worry about rationalising in the long run".

Most Indian companies compete only against each other.

Crompton Greaves competes against the world's best.

A **global manufacturing base in 5 countries besides India** - Belgium, Ireland, Canada, USA and Indonesia. **Local marketing and distribution strengths in over 150 countries.** We ensure faster reach with significant price and performance advantages for our customers. We are fast emerging as the **world's preferred supplier of power solutions.**

Crompton Greaves
EVERYDAY SOLUTIONS

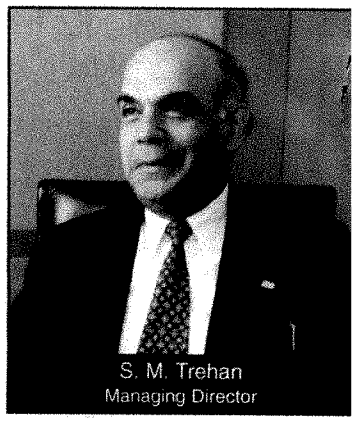
Transformers • Switchgear • Power Quality • Motors, Alternators & Drives • Railway Signalling • Fans & Appliances • Lights • Pumps • Telecom

AMC / CG / 01-06 - 01(R)

Mr. Trehan confirms the importance of the Transformer business in its future growth as he comments, "For us, Transformers are a key growth area and we plan to keep focussing on this segment. We are a leading player in the transformers market in India, but this market represents only 1.2% of the global market. Why should we miss out on the remaining 98.8% of the market? Hence acquiring a good company made a lot of business sense to us". In India, CG ranks fourth after Siemens, BHEL and ABB in the transformers market, while in Switchgear, it follows Siemens and ABB.

According to Mr. Trehan, within a few years some of Pauwels products will be brought into India to offer customers the advantage of low-energy consumption and high-efficiency. In the same way CG Transformers will eventually find their way into European markets.

Crompton Greaves Ltd part of the Rs 9000 crores B.M. Thapar Group of industries, is a major business house in India, with a turnover of above Rs 2700 crores (combined turnover is over Rs 4300 crores) is extensively engaged in designing, manufacturing as well as marketing high technology electrical products and services related to power generation, transmission, distribution as well as executing turnkey projects. Ever since Crompton Greaves was established in 1937 it has assiduously striven to bring about meaningful & revolutionary change in the lives of people, providing Everyday Solutions by touching people lives directly or indirectly through its varied business interests, and last but not the least doing the nation proud by its activities concerning the nation. The company is customer centric in its focus and it is the single largest source for a wide variety of electrical equipment's and products. Further its continuous pursuit of excellence in all fronts and factors is helping it become first choice global supplier for high quality electrical equipment.


S. M. Trehan
Managing Director

Admittedly, brand building has always been a secondary activity at Crompton, with engineering and design excellence being considered the most relevant currency for dominating markets. However its poor visibility, particularly in international markets is what was hurting the company and holding it back from effectively leveraging its technical muscle. In this, Pauwels network of 25 marketing offices and sales agents in 120 countries will surely come in handy, points out Mr. Trehan.

"We will extend market reach by creating room for the CG brand in the European and American markets as these two markets alone account for more than 50% of the world sales of transformers. So there is a lot of scope for greater penetration. There is a huge opportunity awaiting CG and we want to fully explore it rather than considering diversifications for the next few years.

If all goes as per plan, in five years Crompton Greaves will emerge as one of the top five transformer manufacturers in the world, with transformers and switchgears driving growth, and the arrival of a truly Indian Multinational in electrical markets would have been confirmed.

Welspun India Ltd

Welspun today is at the helm of the rise of what future generations will regard as the truly 'Indian MNC'

The 1 billion USD Welspun Group is one of the largest terry towel manufacturers in the world. Welspun India Limited which is a part of the Welspun Group started its activities in 1985 and since then has become the largest exporters of terry towels in Asia and the 4th largest in the world. Welspun India Ltd exports terry towels to reputed global companies. The plant is located in Vapi and at Anjar - Gujarat and has capacity of 31000 MTPA. The Retail face of the company under the brand name 'Spaces' was initiated in September 2003, offering holistic home textile solutions. The initiative has since been hived off into separate entity, Welspun Retail Limited (WRL). Welspun India Limited, recently acquired an 85% interest in CHT Holdings Limited, the ultimate holding company of the UK's leading towel brand Christy, valuing Christy at GBP 15.6 mn (Rs. 1326mn).The acquisition of Christy is in line with Welspun's strategy of emerging as the one of the largest global home textile company by 2008 with a strong brand portfolio. Other brands owned or licensed by Welspun include Tommy Hilfiger for India and Nautica and Umbra for the US and Canadian markets.

Christy's acquisition is a landmark development in the history of Welspun. This transaction only strengthens their commitment towards achieving their goal of becoming a globally relevant strategic player in the Home Textiles segment. Christy's commercial, retail, design and technical excellence complements Welspun's established manufacturing capability and global reach as an international Home Textile manufacturer. Christy also complements Welspun's recent initiatives to develop a more robust model providing global consumers including both UK and US with contemporary products for the Home.

Another important arm of the Welspun Group is, Welspun Gujarat Stahl Rohren Ltd., which started its activities in 1995 and since then has obtained approvals from almost all prestigious companies in the Oil and Gas sector including Shell, Gazprom, Total and Elpaso. The plant is located in Dahej and Anjar-Gujarat and has a state of the art manufacturing facility incorporating the hybrid JCO technology from Mannesmann Demag of Germany and Capello Tubi of Italy. The company, since its inception has manufactured over 5000 kms of line pipes for critical applications. The company has been the leader in quality, innovation and technology and enjoys distinction of supplying highest recognized line-pipe grade i.e. X 80 in the country.

B. K. Goenka
Vice Chairman &
Managing Director

WGSRL is the preferred choice for the Energy Transportation Sector - Be it Oil, Gas, Crude or Water. It is a dynamic setup where quality, integrity and values form the core strength for success.

It has the technical capabilities of executing both offshore and onshore critical applications. It is the only company, from Asia (ex-Japan), to manufacture the 56" outer diameter pipe and is one of the few companies in the world that can execute sour service applications. It is a one stop solutions provider to all pipe and related niche products, in that it manufactures pipes from ½" to 100", outer diameter.

Probably the simplest explanation of the company's phenomenal

Wind energy generates something more than electricity. Smiles. And a promise of a cleaner and greener tomorrow. t's one of the few energy sources to be produced at relatively low risk to nature. It's 100% emission-free and uses nfrastructure that is least disruptive to our environment. That's the power of the wind.

SUZLON

POWERING A GREENER TOMORROW

Reduces fossil fuel depletion • Non-polluting • 100% renewable • Promises Certified Emission Reduction as per the Kyoto Protocol

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success may be attributed to a consistent story of engineering excellence. The myriad orders from a gamut of international players are testimony to the fact that geography and economics are rarely limiting factors in the quest for quality. The deepest pipeline in the world, located in the Gulf of Mexico, has been executed with Welspun pipes. This prestigious order was for the company Enterprise, and as is obvious from the application, required WGSRL to meet stringent quality standards. WGSRL was the only Indian company to have made it to the shortlist and it then proceeded to clinch this coveted order.

Unflinching quality standards, adherence to schedules, therefore timely delivery and an absolute commitment to perfection have earned the company a prestigious clientele that reads like the who's who of the Oil and Gas world, in the international scenario and has enable it to achieve a niche positioning in an other wise generic market.The company has executed a number of critical international projects in the past, some of them are: The L&T (GSPL) pipeline, the Gulf of Mexico pipeline for Enterprise, Sohar / Oman pipeline for Gammon India Ltd. The company has been recognized as one of the fastest growing Steel Company by Construction World-NICMAR (2004). It is also the proud recipient of top exporter's award from EEPC (Engineering Export Promotion Council) for 2002 & 2003.

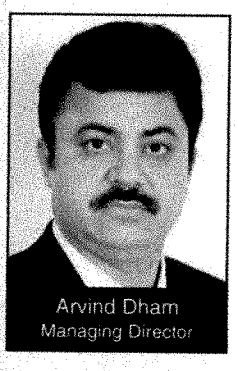
For a company that dares to commit, (which incidentally is the company's credo), it becomes the company's duty to deliver. And deliver Welspun has, in more ways than one.Their catalogue business relationships reads like a virtual who's who of global giant Progress and challenges have been cornerstones their growth proce and it has been the Welspun initiative that every one of the challenges is met head on. Progress is rarely, if ever, achieved i isolation. It therefore becomes imperative that Welspun's partners i growth grow with them.

Growth with innovation and excellence with ethics encapsulat its distinct corporate mantra. People, be it Welspun employee Welspun shareholders, or Welspun stakeholders are their greate asset and strength. Welspun credit their success as an organization t their employees which explains how their workplace nurture excellence through up-gradation of their knowledge, optimizing thei talents and transparency in their relationship with their investors Welspun is a people-centric Group committed to growth and quality through the freedom offered to its employees which, in turn inspire ideas and makes them precious value additions to its intellectual an knowledge resources. They define the company's growth and identit as a key global player and enable the company to realize their dreams In a nutshell, Welspun today is at the helm of the rise of what futur generations will regard as the truly 'Indian MNC'. They are indeed th harbingers of this trend that will set the stage for the future of th Indian Industry as a whole.

World stage beckons Amtek Auto

In a span of five years, Amtek auto has grown from strength to strength. A whole swathe of international acquisitions testifies to that fact.

Delhi-based Amtek Auto, among India's most reputed auto component manufacturers is well on its way to becoming a force to be reckoned with internationally. Part of the US$ 800 million Amtek Group, Amtek Auto, manufactures a wide range of components for automotive applications mainly for use in engine, transmission and suspension systems. The Amtek group has 26 manufacturing facilities spread across India, UK, USA and GermanyStarting from 2001, it has been on an acquisition spree. The company already has Wesman Halverscheidt Forgings, Midwest Mfg (USA), GWK Group Limited and Hallberg Guss Aluminium (UK) among others in its fold. Significantly, the 2005 acquisition of Germany company Zelter, specialising in turbocharging machining has served a two-pronged purpose for Amtek Auto. Firstly, it was a step towards forward integration; secondly, it helped Amtek in consolidating its position in turbochargers.


Arvind Dham
Managing Director

The company embarked on acquisitions as a business strategy when it realised the export orders it was receiving were too small to make business sense. Customer resistance to the distance between markets meant that exports were only to the tune of about Rs 5 crore a year back in 2000. As the company did not have prior experience in overseas buying, it chose to take one step at a time. The initial experiment went in favour of Smith Jones (SJ), with a turnover of US$ 23-24 million. Though small, SJ had 35 percent of the ring gear market in the US with customers like Ford and General Motors. Amtek acquired Smith Jones in December 2002. The buyout not only gave the company international exposure coupled with better acces to foreign clients and technology, but also instilled confidence in thei acquisition strategy.

Interestingly, the SJ acquisition coincided with one of Amtek's closest competitors closing down. Amtek has capitalised. It is now i the process of setting up a third unit in the US for ring gears. This would add another 6 million-unit capacity and the total capacity for the ring gear would go up to 16 million units from the current 10 million The company now owns close to 60 percent of US market in ring gears.

The company has been using the Indian units for sourcing of raw materials in the newly acquired overseas businesses. GWK presently sources castings and forgings worth Rs 50 million from India and castings and forgings worth Rs 65 million from Europe. These back end operations are now being shifted back to Amtek India. The company, which manufactures and supplies more than a hundred auto components to almost 95 percent of all automotive OEMs in India, invested Rs 200 crore towards expansion, in 2005-06. The major categories of components manufactured by the company include connecting rod assemblies (largest in India), steering knuckles, suspension and steering arms, CV joints, crankshaft assemblies for two-wheelers, torque links, machined aluminum case components and a wide range of precision forgings.

The Company is a Tier-1 vendor and is a OEM supplier to Maruti Suzuki, John Deere, TVS Suzuki, JCB, JBML, Case New Holland, GE, Hero Honda, Hindustan Motors, Mahindra & Mahindra, Tata Motors, Sanden Corp., LML Limited, Eicher Tractors, Honda Scooters, Yamaha motors, Bajaj Auto. Amtek currently has a forging capacity of 164,000 tonnes in Pune, Bhopal and Gurgaon. Two more facilities have been created for machining, one in Daruhera (Haryana) and the other in Baddi (HP). Meanwhile, the company is also enhancing its machining capacity from 15 million units per year to 23 million units per year. Amtek is raising finance for these projects through FCCBs and GDRs (Foreign Convertible Bonds and Global Depository Receipts). It raised 150 million through FCCB in June this year. Part of the fund would also be used for the future acquisitions. The company envisages revenues of Rs 500 crore from its outsourcing businesses, via its front-end companies like Smith Jones and GWK.

Emergence of an International Corporate

Welspun :

Most clientele are fortune 100 companies
Wal Mart, JC Penny, Shell, Chevron, Bechtel ... ☐

Closely associated with Global brands
Nautica,Umbra for the US and Canada,
Christy - UK , Tommy Hilfiger - India ... ☐

Executed prestigious international orders
Deepest pipeline in the Gulf of Mexico, in the US and
many more ... ☐

Partners with World Class Enterprises
EUPEC - Germany, Vincenzo Zucchi - Italy... ☐

All the above ☑

Recent addition in Welspun Group , Christy, UK's No.1 terry towel brand

Welspun, the truly Indian Multinational Corporate.

www.welspun.com

WELSPUN

Dare to Commit

■ Welspun India Ltd. ■ Welspun Gujarat Stahl Rohren Ltd. ■ Welspun Retail Ltd. ■ Welspun Syntex Ltd.
■ Welspun Power & Steel Ltd. ■ Welspun Zucchi Textiles Ltd.

Winds of Fortune: From India to the World

The face of the energy industry around the world has undergone radical change in recent years. There is growing international consensus on the challenges in the energy sector - from the high cost of oil, and long term energy security, to environmental concerns and commitments like the Kyoto Protocol.

Countries are increasingly realizing the role renewable energy, and wind energy in particular, can play in addressing these concerns, and adopting policies to encourage investment in wind energy and the development of the industry. In this environment, the wind industry has found a very conducive environment to build synergies in operations around the world.

Tulsi Tanti
Chairman & Managing Director

In parallel, Indian industry has gone through a resurgence of entrepreneurship and emerged with a will to take on the world. From managers to manufacturing, there is a conviction that India can take on the world. Among the vanguard of Indian MNCs is a company that did not exist a decade ago, and few knew of just a year ago - Suzlon Energy Limited.

Starting at home just over a decade ago, Suzlon worked to harness the wind across India - building manufacturing facilities in 6 locations in three states, over 15 sales offices across the country, and windfarms at 26 locations across 7 states, adding over 2 GW of generation capacity.

Suzlon's success touched large parts of the country with one vital resource - electricity. Realizing the particular needs of the Indian economy - Suzlon, along with associate companies, evolved to model of providing integrated wind power solutions to the Indian marketplace.

Suzlon provides end-to-end solutions - with services ranging from identifying potential sites, providing wind turbines customized to the local wind regime, micrositing individual wind turbines, installation, operation and maintenance, to managing power sales to the local grid - ensuring the customer receives a all-encompassing solution, ensuring total peace of mind for the customer.

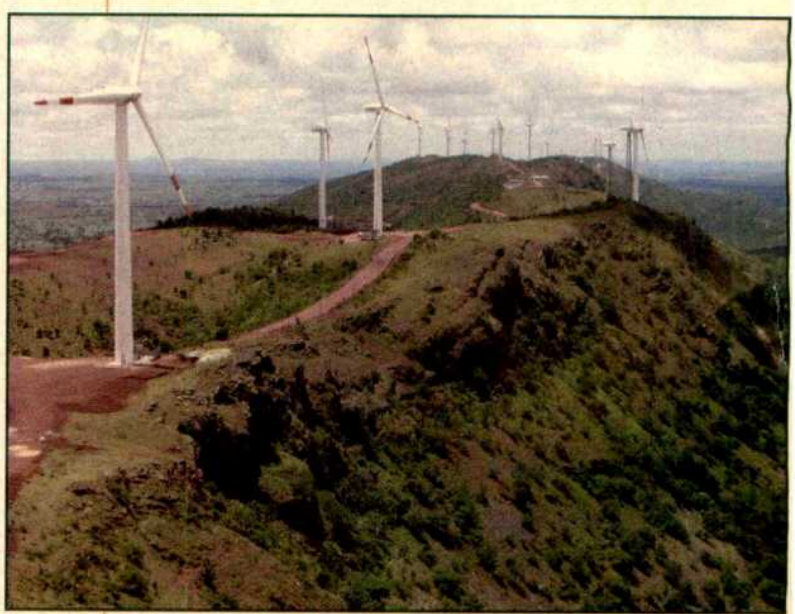
Suzlon complete suite of services, execution finesse and domain expertise all come together as the 'Suzlon Edge', which has resulted in the 10-year-old company being market leader in India for 8 consecutive years.

After achieving an overwhelming leadership of the Indian wind energy marketplace, Suzlon set its eyes on the world. Leveraging local expertise to establish global reach, Suzlon has grown to be a global major - ranked the #5th largest wind turbine manufacturer in the world in 2005 by BTM Consult ApS - an independent consultant focusing on renewable energy. The company is today the world's largest wind turbine manufacturer in terms of market capitalization.

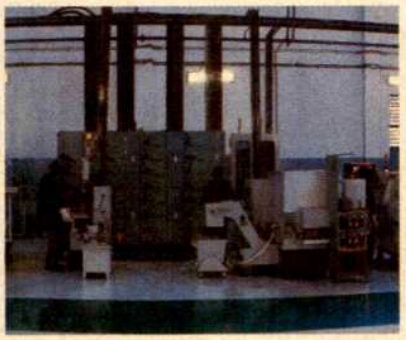
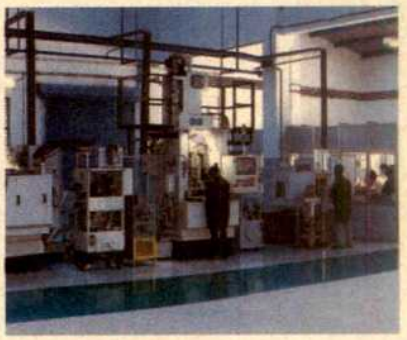
Suzlon's business, just like the wind, knows no barriers or borders. Today Suzlon has operation - offices, manufacturing facilities and wind farms - across four continents. Suzlon has based its international operations arm, Suzlon Energy A/S, out of Aarhus, Denmark to leverage on the regions long standing leadership and excellence in the wind power arena. Suzlon has also made significant investments to leverage the region's high skill base and intellectual capital by setting up research and development centers for critical technology - a center for wind turbine research, and a gear box technology center in Germany, a rotor blade R&D unit in The Netherlands. Suzlon's recent acquisition of the world's second largest wind turbine gearbox manufacturer - Hansen Transmission - has put Belgium on the Suzlon R&D map with a new gear transmission research center in Belgium.

Suzlon's approach of leveraging global experience and expertise to create customized solutions for client needs has borne fruit with major orders in key markets. Suzlon has installed 23 MW in US, with a further 80 MW under construction and nearly 500 MW in new orders. The company has also secured breakthrough orders in China, South Korea, and the largest ever order for wind turbines in Australia.

Advances in technology, implementation finesse and the widespread availability of potential sites are making wind power as a whole a critical, global energy source. Though wind energy currently only meets a small part of the world's energy needs, the combination of factors along with issues resulting from pollution and climate change are working to drive wind energy into the future. Wind will not only shape the energy sector of tomorrow but also play a decisive role in the shaping of the future global economy.



As wind energy grows to play an increasingly important role in world full of booming economies, oils shocks and diminishing supplies of conventional fuels - Suzlon is poised to play its role in powering the world, and helping build a greener tomorrow.

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Emerging India Series : An Impact Feature

Construction & Equipments

At a time when everyone seemed to be betting on the infrastructure sector, it was the unprecedented rains in the first week of July that exposed the weak links in the construction sector.

However, notwithstanding these hiccups, the year proved to be a watershed in the infrastructure sector, especially the construction industry for more than one reason. Early this year, the Union Government allowed 100 per cent FDI (foreign direct investment) through the automatic route in construction. The decision was widely welcomed by India Inc, as it would help attract much needed capital and global expertise for developing quality infrastructure. And a few months ago, the Dubai-based Emaar-MGF Land Private Ltd had announced plans to invest $500 million in real estate projects in India. This only hints at the shape of things to come.

But the Finance Minister had offered no incentives to the construction sector in this year's budget. In fact, it imposed a service tax on the industry that disappointed many.

Infact, of late there have been changes for the good appearing in the Indian construction industry. The granting of industry status to the Indian construction industry has resulted in fast tracking procurement procedures and has enabled construction companies to obtain crucial working capital at market rates. In addition a re-rating of Indian construction stocks by institutional investors because of this new industry status and the many joint ventures being arranged with foreign construction companies, has made Indian construction companies themselves more attractive investment propositions. A consequently larger equity base has been good for the financial strength of Indian construction companies, making successful bidding for projects more likely and accessing conventional debt easier.

It is generally assumed that most multinationals in India are not making any money and that they continue to struggle with local problems. The most law-abiding companies in India are multinationals. They are very cautious and don't want to be on the wrong side of the law. According to one leading auditor from ISO, around 2000 companies in India have environmental certification. Of these, 85 per cent are foreign companies. This shows that multinationals in India do care for the environment. They do not want to be caught on the wrong foot and they do not want anyone to raise a finger against them.

Construction Equipment industry

The organised construction sector accounts for 50-55 per cent of the total construction equipment industry, which is growing at around 25 per cent per annum. Currently, the market size of India's organised construction equipment industry is around Rs 6,500 crore and it accounts for 6 per cent of the GDP. The industry is growing and FDI has also opened in this sector. Infrastructure is being given great importance in the growth of the economy. This has led to an increased requirement for cranes thereby making the market grow very fast. The demand for Material Handling Equipment and Construction Equipment is correlated with the growth of other segments like Infrastructure Construction, Ports, Pipe Lines, Roads, Steel, Cement, Power Projects, Hydel Projects, Engineering Industry, Mining; Building Construction etc as these equipment find primary use in the sectors.

Some of the common construction equipment used in the industry are: concrete mixers, reversible concrete mixers, tower hoists, sand washing machines, dumpers, earth compactors, weigh batcher, vibratory sand screens, wheel barrow, backhoe loader /leveler attachment, front end loader attachment, and front end leveler / dozer attachment.

Analysts expect the world heavy construction equipment demand to grow 5.4 percent annually through 2009 based on continued expansion of emerging markets such as Eastern Europe, India and China. North America will remain the largest and fastest growing market within the Triad (e.g., North America, Japan, Western Europe). It puts the current market at $81 billion.

All this spells good news for the construction and the equipment industry as a whole.

Let's build on that!

At Soma Enterprise,

we specialize in major construction works – bridges, national highways, dams, canals, tunnels etc. What drives us is reliable power supply.

Soma Enterprise Ltd. – Engineering The Future

Recent Projects :
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NHAI NH - 5, AP- 18 & Nellore Bypass, Andhra Pradesh

Power supply at remote locations is vital for engineering companies like Soma. Power that is uninterrupted is vital. Meeting this need is one company - the leader in captive power generation.

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JCB has been a pioneer in the earth moving equipment market in India ever since it began commercial production in India with a joint venture in the year 1979. Today JCB India Limited is a 100% subsidiary of JC Bamford Excavators Limited, one of the major manufacturers and suppliers of Construction equipment in the world. With a product offering of 14 Construction machines in India in four different product categories, JCB today is a leader in the construction equipment business in India. JCB produces Quality machines for better fuel economics to enhance customer return on investment.

After sales service being a key aspect to serve customers in this segment, a constant thrust is given at JCB to make Dealers infrastructure world class and make them competent to cope with growing customer expectations & demand. JCB has excellent dealer network coverage through out the country, which helps them serve their customers better. JCB India has 39 dealers with 194 outlets nationwide. Regular training programs are conducted for both internal & external JCB employees, dealer employees and operator's to improve their skill level, which helps in providing better customer support.

JCB India intends to improve product, expand product range, invest in latest technology and manufacturing process to improve quality and capacity. JCB has a plant in Ballabgarh, Haryana and is setting up a plant at Pune dedicated to producing excavators for the Indian market. The new plant at Pune will allow JCB to expand manufacturing capacity and meet the growing demand of the Indian market. Substantial investments have also been made at the Ballabgarh plant where a new paint shop, conveyor production line and transmission facility has been set up to provide better solutions to its customers. JCB's endeavor with world-class machines and after sales support is to provide a complete package to fulfill all the needs of its customers.

For further information contact:
Amit Gossain (General Manager - Marketing), JCB India Limited
Phone: 0129-4299000; www.jcb.com

Action Construction Equipment Ltd. Winner of CNBC TV 18 Emerging India Award winner

The size of construction industry in India is over $25 billion and it accounts for 6% of the GDP. With the current growth in the construction sector and with opening of FDI in this sector, this industry is set for a boom.

And one of the companies that has continuosly contributed to the growth of the infrastructure has been ACE - Action Construction Equipment Ltd. Not only is it one of India's leading manufacturer of mobile cranes and mobile tower cranes, but it has a consolidated presence throughout the country with an All India Sales & Service network of around 37 outlets supported by Regional Offices in every zone. The ACE product range also includes mobile/fixed tower cranes, lorry loader cranes, loaders, and mast climbing platform/ lifts. ACE has a series of tie-ups with most of the leading foreign companies like PM-Italy, Maber-Italy, Airo-Italy and Zoomlion-China, which facilitates for availability of latest technology and machines from around the world. No wonder ACE was awarded the "CNBC TV18 Emerging India Award" in the Infrastructure category.

Company growth

ACE's growth can be traced through its state-of-the-art production facilities at the Industrial Township of Faridabad. The plants are equipped to produce around 200 machines every month. A new manufacturing facility is being set up in close vicinity of the existing plants. ACE Mobile Cranes can be adapted to satisfy a vast range of possible applications. The size of Mobile Crane market is currently around 4500 units per annum and ACE will be providing for at least 50 percent of this requirement in the current financial year. ACE machines are also gaining popularity in Middle East Asian, South -East Asian and African countries. The company is in the process of setting up its Offices / Dearlerships outside India to further enhance the number of machines being exported. Currently, ACE machines are working in U.A.E., Qatar, Sultanate Of Oman, Kuwait, South Africa, Kenya, Nigeria, Mauritius, Sri Lanka, Nepal, Bhutan, Bangladesh, Singapore & Portugal.

ACE has started offering a series of Fixed Tower Cranes of heights up to 240 mtrs and lifting capacities upto 12 Tons. The Mast Climbing Platforms are actually a safe substitute for scaffolding as they eliminate the accidents caused by working on scaffoldings.

ACE is dedicated to provide its customers with latest technology products, efficient sales and service network and comprehensive follow-up system to provide all its customers with efficient distribution and service assistance that has a priority of satisfying their real needs.

Larsen & Toubro Limited

L&T has been associated in the construction business since the 1940s; its first manufacturing foray was through a JV with CAT in the sixties for Crawler Undercarriages. This unit - Tractor Engineers Limited- has been the prime supplier of undercarriages for Dozers and Excavators for all equipment manufacturers in India. The first major step initiated by L&T was a manufacturing unit at Bangalore in technical collaboration with Poclain of France. This brought in not just Excavators into India but also the use of High Pressure Hydraulics. This also brought in a great awareness for ensuring the appropriate use of equipment through avoidance of contamination and cleanliness requirements. The oil industry rose to the challenge by developing specially blended hydraulic oil for use in these machines.

L&T also introduced modern vibratory Rollers (Compactors) for road construction and commenced manufacture of Backhoe Loaders in Indore..

In the early nineties L&T introduced the first indigenously developed Hydraulic Excavators. It also concerted its manufacturing units into JVs with Komatsu for Excavators and CNH Global for Backhoe Loaders at Bangalore and Pithampur.

L&T's association with Komatsu places it at the vanguard of construction equipment and the recent government initiative of opening up the mining sector offers opportunities in expanding the range of equipment offered.

INNOVATION IN ACTION

Indigenous

Hydraulic Excavators
Range: from 7 T to 60 T.
Bucket size: 0.09 cu.m to 4.0 cu.m
with a wide range of attachments

Imported

Hydraulic Excavators
Bucket size: 0.008 cu.m to 12.0 cu.m

Dozers
Horsepower: 40 to 1150

Motor Graders
Horsepower: 135 to 280

Wheel loaders
Bucket size: 0.40 cu.m to 20.0 cu.m

The wide range of Construction & Mining equipment offered by L&T demonstrates how advanced technology translates into major performance benefits.

At mines,quarries, road and agricultural projects around the country, these machines are clearly and emphatically demonstrating the superior power, pace and versatility that makes them profit-miners at every worksite.

These machines are manufactured by L&T-Komatsu Limited, Bangalore and Komatsu Ltd., worldwide.

Whenever and wherever you use these machines, you also have the comfort factor of knowing that you can bank on unmatched after sales service from L&T's nationwide network of offices.

For details, contact:
Construction & Mining Equipment Business Unit
Larsen & Toubro Limited
Lakshminarayan Complex
10/1, Palace Road,
Bangalore 560 052
Tel: 080-22256982/3/4,Fax: 080-22250309
e-mail: cmb@pro.ltindia.com
www.larsentoubro.com

LARSEN & TOUBRO LIMITED

Clarity/CED 201r2

SREI Infrastructure Finance Ltd

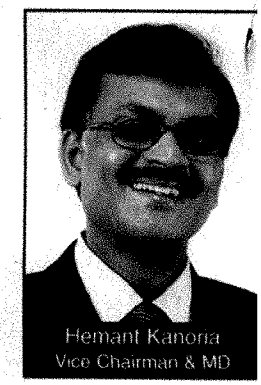
Can you expound on SREI strategic initiatives to increase its market base.

SREI has been the market leader in the infrastructure equipment (IE) financing for many years and we intend to expand our operations globally. We have developed excellent relationship with our vendor partners and our clients. Years of observation and understanding of their business needs has helped us to bring in significant levels of innovation in our products & services and in delivery mechanisms. Many of our innovations like 'Paison ki Nilami', 'Money Bag', 'Lotto' etc. has been very well received by the industry. In addition to IE financing, we also offer a bouquet of associated financial services to serve our clients better.

While maintaining our leadership position in IE financing, we have also expanded into infrastructure project financing. In addition, we are also into equipment rentals and deposit through our associate Quipo Infrastructure Equipment Ltd. and auction of equipment through our joint venture company Henry Butcher International Valuers & Auctioneers Pvt. Ltd. We have now made significant progress and financed a large number of road, power and port projects. Strategically we have positioned ourselves as a universal infrastructure financing institution offering all financial products and services in the infrastructure sector.

What growth do you foresee in the Construction & Equipment finance market in the next 5 years?

India needs a minimum investment of USD 100 billion per annum in infrastructure for the next 5-10 years in order to realize our dream of a double-digit GDP growth. Construction sector accounts for more than 50 per cent of the total investment in infrastructure and thus is likely to emerge as the biggest beneficiary of the impending infrastructure boom. Infrastructure construction is poised to grow at a minimum CAGR of 9 per cent. Likewise, the IE sector will also register phenomenal growth. The organized IE market size which stood at around USD 2 billion in 2004 is likely to reach attain a size of USD 5.0-6.0 billion by 2010.


Hemant Kanoria
Vice Chairman & MD

What are the policy problems faced by the companies in this industry.

There are several policy bottlenecks that are acting as serious impediments to the growth of non-banking financial institutions (NBFIs). First, NBFIs' access to external commercial borrowings (ECBs) for getting long-term funds at competitive rates is now severely restricted. To compound that problem, NBFIs do not have access to any matching domestic source of long-term fund. We are still trying to make the government understand that long-term funds are extremely essential for investment in infrastructure projects, especially for companies like ours which are in the business of infrastructure financing. If this is not permitted, it will severely impede the speed of infrastructure development in the country. Second, NBFIs should be permitted to access the asset recovery facilities at par with banks and other financial institutions (FIs). Third, NBFIs are subject to multiple taxation which leads to huge complications.

How do you arrive at financing a special clientele incase of project or equipment?

Both project fundamentals and promoter track record are vital parameters in our assessment. Project fundamentals ensure financial viability and ability of the project to support debt service under all conditions. Promoters/developers/contractors with capacity to undertake and execute projects in a timely manner and who have financially viable projects are financed by us.

Quipo

You have been in this line of business for quite some time. How is the response in the market? What is the current size of this market?

As a group we are in infrastructure industry for last 15 years, and for last 3 years we are in this specific business of equipment rental. Present economic environment envisage an immediate investment of Rs 50,000 Cr for the infrastructure sector alone. This is going to grow exponentially next 5 years and expecting a cumulative investment of over Rs 500,000 Cr in next 5 years to match with the our expectation of 8% GDP growth.

Sunil Kanoria
CMD

Whether you also deal with new equipments or you restrict yourself to used equipments?

As a corporate strategy, we are committed to keep our equipment fleet very young to provide high fuel efficiency and performance. More than 95% of our equipments are brand new and from internationally renowned equipment manufacturers.

Success of this concept will largely depend on the widespread network of outlets and yards. How many yards you have? How many more are you planning?

As you rightly said, our success is primarily because of consistent service standards that we provide to all our customers, across India. This is due to our strong presence in India and wide spread operational strategy.

Currently, our equipments are running at more than 120 sites across the country, We have 5 fully established yards in operation and 7 other yards will soon be added soon to cater to enter country.

Which are the factors on which its growth of equipment rental will depend?

The growth of this sector will mainly depend on

a. Government policy in infrastructure development and the investment in infrastructure sector

b. FDI in infrastructure sector

c. Mechanization of infrastructure projects, willingness by contractors and trade unions to introduce technology

d. Legislative support by Govt. to develop equipment rental service

What are your futures plans?

We would like to double our assets every year for next 3-5 years, to enable us to expand our asset base to match India's growing demand. This will also help us to keep our first mover advantage through expanding to new geographies, new sectors.

As a part of sectoral diversification, Quipo has already entered in to oil & gas, power, ports & mining last year and will continue to expand our service offerings in these sectors. One of our latest sectoral initiatives is in its final stage which helps us to enter in to untapped telecom sector.

With out any doubt, our prime focus will be to provide all the services to our customers with very high quality and environmental standards.

No way on earth I'll let you sneak in

Sharing the same German pedigree, FUCHS lubricants like the German Shepherd assure maximum protection

ANTICORIT
CORROSION PREVENTIVES

Beware forces of corrosion... be it in steel, rolling bearings or automotive industries.

State of the art ANTICORIT corrosion preventives from FUCHS lubricants ensure reliable protection and long-lasting performance of tools and components.

Non-toxic and ecologically safe,
FUCHS lubricants are backed by FUCHS PETROLUB, AG, Germany, world leaders in speciality lubricants for:
- Corrosion Preventives
- Metal Working
- Metal Forming
- Industrial Greases

FUCHS LUBRICANTS- A FEW FACTS
- World's largest *independent* lubricants company
- Amongst top 10 lubricants companies
- Globally has more than 40 centres of excellence and presence in over 120 countries
- Certified DAIMLER CHRYSLER FIRST CLASS PARTNER in 2002 & 2003
- OE fill for India's leading car, truck and tractor manufacturing companies
- Full line supplier to India's top MNCs and reputed business houses.

FUCHS 1931 - 2006

FUCHS LUBRICANTS (INDIA) PVT. LTD.
(A wholly owned subsidiary of Fuchs Petrolub AG, Germany)

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Worli, Mumbai-400 018. (India) Tel.: (91) (22) 5666 1046/47/48,
Fax: (91) (22)5666 1049. **www.fuchsindia.com**

Fuchs lubricants cater to several industries:

Steel

Automotive

Bearings

Mining

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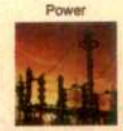

Power

ARMS/FUCHS-771-06

FUCHS - World leaders in industrial lubricants!

Emerging India Series : An Impact Feature

Oil and Gas

The oil & gas sector plays a very important role in the economic and political scenario of the world. The limited number of reserves and increasing energy requirement across the globe has led to spiraling of prices resulting in supply related concerns for countries around the world.

The high economic growth in the past few years, increasing industrialization coupled with a burgeoning population has created a lot of concern for India's energy scenario. India has 0.5 per cent of the oil and gas resources of the world and 15 percent of the world's population. This makes India heavily dependent on import of crude oil and natural gas. India 's Crude Oil production has also been flat over the last 10 or more years whereas its refining capacity has grown by 20 + percent over the last 5 years. Oil consumption is growing at 3.7 percent per year and natural gas consumption at 6-8 percent per year.

Government policies in India have changed considerably in the post-liberalization era, with private and foreign players getting the nod to indulge in oil exploration and production through schemes like New Exploration and Licensing Policy (Nelp) I, II and III. Hence, there is a good scope for domestic private players and foreign players to enter this sector.

India aims to become the hub for export of its petroleum products. It is estimated that demand for petroleum products in Asia Pacific region alone would be around 28Mn barrels per day in 2010.

According to a market research report, imports of petroleum and oil lubricant were 28% of total imports in 2004-05 while exports were 9% of total exports in the same year. India's refining capacity is 4% that of the world capacity and stands in the sixth position, refining oil by millions of barrels every day.

Lubricants

Indian automotive lubricants market is largely price sensitive and volume growth is stagnating due to longer lasting lubricants. The market is fragmented with over 22 big and small manufacturers and with the spate of mergers and acquisitions (M&A), only a handful of big companies enjoy a major market share.

Companies are adopting a more customer-oriented approach where they are likely to focus on creating brand awareness through print and visual media. For example promotional campaigns and trade shows offering gifts to their customers are methods of driving sales of automotive lubricants.

The original equipment segment and retail trade are the two major marketing channels in the Indian automotive lubricants market. Due to the growing competition, tie-ups with original equipment manufacturers (OEM) are becoming important as they reinforce the value proposition of a particular brand.

Petrol pumps form a major distribution channel in retail trade, however sales of lubricants through retail outlets (also called 'the bazaar trade') has transformed the Indian automotive lubricants market into a fast moving consumer goods (FMCG) sector.

Engine oil plays the most crucial role in deciding the market share of manufacturers. Increase in demand for four stroke motorcycles, tie ups with original equipment manufacturers, and implementation of new pollution norms are just some of the key drivers of the engine oil segment.

In the long term, the overall outlook for the automotive lubricants market is expected to be positive due to the growing Indian economy along with the increased purchasing power of consumers.

Fuchs Petrolub AG

Fuchs Petrolub AG is planning to bring in specialized products locally blended in India. The company's focus would be on high-end lubes in general, and metal working fluids in particular. With the influx of international giants to India, cutting-edge technology would also be put to use in many industries. Fuchs being the specialist in industrial lubricants is currently positioned at the right place and at the right time to capitalize on this continuing modernization of industry.

Kersi Hilloo, Managing Director, Fuchs Lubricants (India), said, "With full access to technology for the company's products, we will bring in more specialized products, from the 10,000 strong basket of FUCHS products worldwide, to India."

Fuchs today is a group with an immense global reach and has emerged as the largest independent lubricant company in the world. Among the major oil companies it is ranked no.8 in the world. The group sales revenue has increased by more than 50% over the last ten years and stands at Euro 1.19 billion.

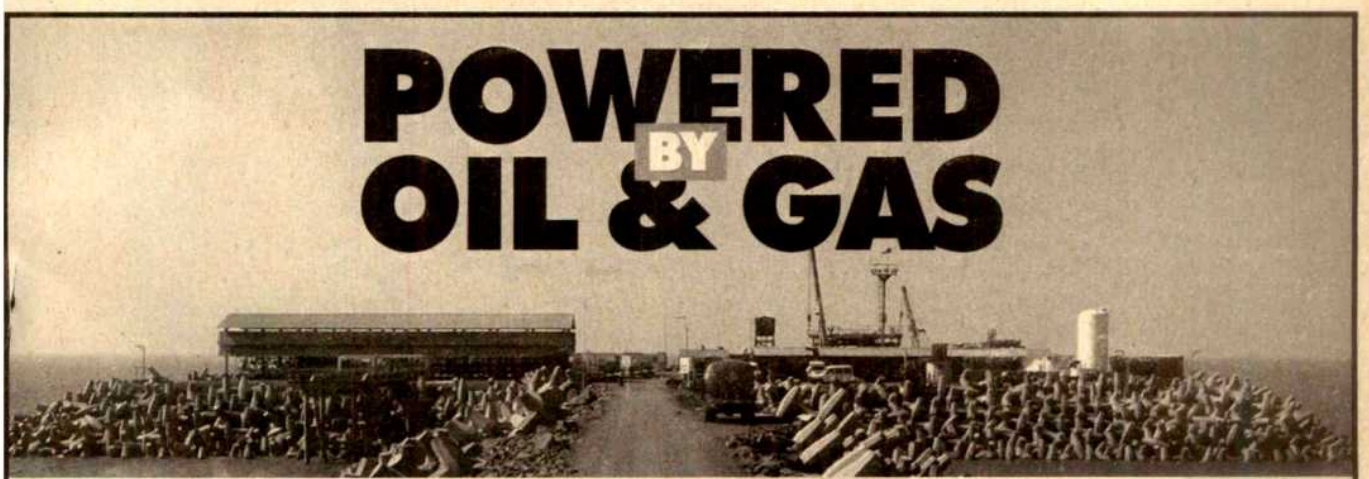
Fuchs Lubricants (India) Pvt Ltd has already made its mark in the Indian lubricant market and has a current turnover of around Rs 350 million, which is expected to double by 2007. Presently the company markets about 3000 tons of lubricants in India by offering 300 products and plans to bring in more from its international portfolio.

Kersi Hilloo
Managing Director

In India, Fuchs has already achieved significant niche market shares, such as:

- 80% market share in high-end rust preventives in the bearing industry
- 50% market share in high-end rust preventives for coating automotive grade cold rolled steel.
- 50% market share in fire resistant fluids in underground coal mines
- 85% market share for spray greases for cement industry girth gears.

Fuchs, where innovation is the key, has plans to promote its biodegradable range of lubricants called Planto in India. Planto products are high-performance lubricants based on harvestable raw materials. Many of them have been awarded the coveted "Blue Angel" environmental seal because they fulfill stringent ecological guidelines. Planto lubricants are renowned for their successful stability with ageing and their superior economical reputation.



The dream to realise an 'Energy Sufficient India' lay in the capability to tap the rich reserves of Oil & Gas in the State of Gujarat. The onus lay on a state owned enterprise, Gujarat State Petroleum Corporation to realise this dream.

Today, GSPC efficiently explores and exploits hydrocarbon resources, using world class technologies at its disposal. It has intently set about establishing its role as a custodian of India's energy resources, not only in Gujarat, but also in the KG basin in Andhra Pradesh and has been successful in the generation, production, distribution and management of energy.

GSPC
Gujarat State Petroleum Corporation Limited
3rd Floor, GSPC Bhavan, B/h Udyog Bhavan, Sector-11, Gandhinagar-382 011.
Tel.: 079-66701001 Fax: 079-23236375 Website: www.gspcgroup.com

GROUP COMPANIES

Gujarat State Petronet Ltd.
Engaged in Gas transportation through an integrated pipeline network in Gujarat.

Gujarat State Energy Generation Ltd.
Engaged in the generation of power using advanced Gas based technology.

GSPC Gas Company Ltd.
Engaged in distribution of PNG for domestic & industrial customers, & CNG for commercial use in cities & towns of Gujarat.

Gujarat Info Petro Ltd.
Engaged in providing quality Internet & e-solutions in Gujarat.

Gujarat Energy Research & Management Institute
An institute set up to develop human resources to cater to the petroleum and allied energy sectors.

GSPC Pipavav Power Company Ltd.
A 700 MW NG/LNG based Power Project setup in Pipavav jointly with Gujarat Power Company Limited (GPCL).

Sabarmati Gas Ltd.
Engaged in the development of a City Gas Distribution network jointly with Bharat Petroleum Corporation Limited (BPCL).

BECKONING CAREERS

HR Pros In Demand

They were traditionally people who recruited others. Now, they are the ones being chased. KAPIL BAJAJ AND AMAN MALIK

THE TRANSFORMATION IS complete; the buyers have become the merchandise. Human resource (HR) professionals were the anonymous backroom boys who shot off appointment letters, drew up job contracts, worked out group insurance policies, maintained industrial relations on an even keel and coaxed, cajoled, lured and enticed key personnel from rival, and other, firms into the fold of their employers. But in a delicious irony, it is they who are being coaxed, cajoled, lured and enticed by almost every section of India Inc over the last six to 12 months.

"It's a direct fallout of the jobs boom in the economy," explains Achal Khanna, Country Manager, Kelly Services, a staffing services firm. Companies normally employ one HR person for every 200 employees, so the hundreds of thousands of new jobs being created in the country are leading to a massive demand for HR professionals. Concurs E. Balaji, COO, Ma Foi Management Consultants, an executive search and staffing services firm: "HR is a value-enabling function; so every sector that is hiring in large numbers will need HR professionals." Not surprisingly, then, the IT and IT enabled services sectors, which are hiring big numbers in their core functions, are also recruiting large numbers of HR professionals. "We currently employ over 62,000 people and plan to add another 30,000 this year," says

HOTTEST SECTORS
Retail
IT & ITeS
Telecom
Real Estate
Banking and Financial Services
Manufacturing

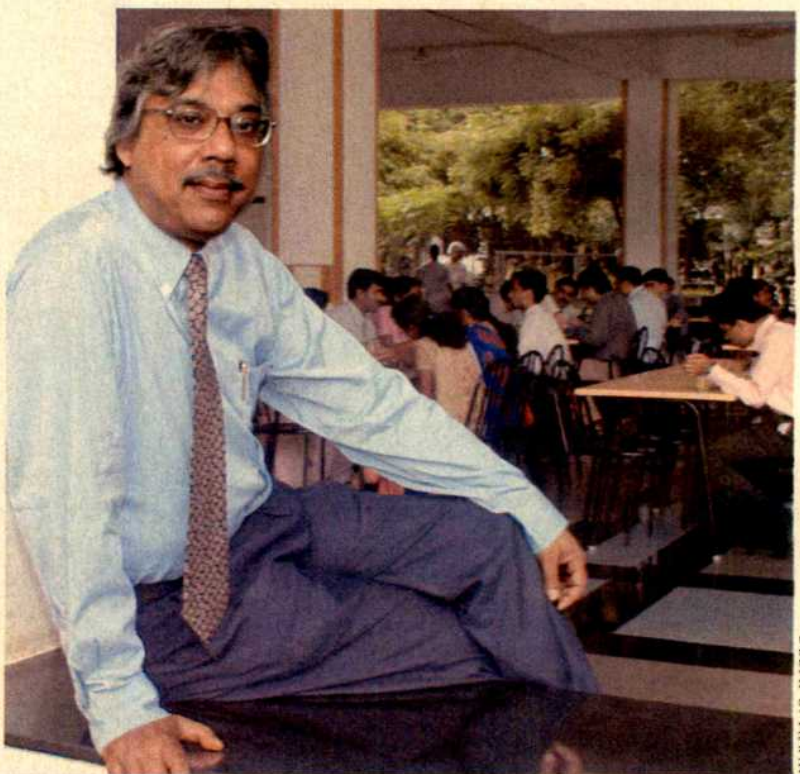
Figures in Rs lakh

SALARY STRUCTURES

POSITION	TIER 1 INSTITUTES/ COMPANIES	TIER 2 INSTITUTES/ COMPANIES
Entry-Level (Management Trainee, Assistant Manager)	8-12	2-4
Mid-Level (Senior Manager, GM* /Senior GM)	12-25	6-15
Senior-Level (VP**, Senior VP, Director)	45-150	18-30

*GM: General Manager

**VP: Vice President



DEEPK G. PAWAR

Talent hunt: Infosys' Maitra is aggressively hiring HR personnel

Employers today are increasingly outsourcing

S. Padmanabhan, Executive Vice President and Head, Global HR, TCS, the country's largest IT company. This is expected to translate into a demand for about 150 HR professionals. "Infosys, too, has been recruiting big time," says Bikramjit Maitra, Vice-President, HR, Infosys Technologies, adding: "in the last year alone, we have recruited 150 HR pros." The retail and real estate sectors, which are expected to create one million new jobs over the next three years, are also doing the same.

Everyone *BT* spoke to for this report was unanimous that the HR function today has become extremely specialised. "The focus earlier was on campus selection," says Balaji of Ma Foi, "but today, HR professionals have to concentrate on talent acquisition and management." At the very minimum, this means aligning HR to business objectives. Adds Udai Upendra, VP, Global HR, Ranbaxy Laboratories: "To effectively manage growing workforces, companies are looking for specialists in functions like performance management, organisation development and learning and leadership development."

There is also growing emphasis on innovation and the quality of HR processes and personnel. "LG and many other quality-conscious companies today require their HR managers to be Six Sigma-qualified. We require an HR candidate to be at least a green belt, which is a grade in the Six Sigma process," says Yasho Vardhan Verma, Director, HR and MS (Management Support), LG Electronics India (LGEIL).

According to Mandeep Maitra, Country Head, HR, HDFC Bank, the bank's HR functions are focussed on activities like performance improvement, organisational productivity, organisational restructuring and culture building. "It is our endeavour to help create an environment where employees can build on their individual competencies and take up challenging roles in the organisation," says Maitra, who leads a team of 52 HR pros.

Kris Lakshmikanth, CEO of Bangalore-based executive search firm The Headhunters India, says recruitment has, over the years, become a plain-vanilla function. Though some companies, like Infosys, still list recruitment as one of their core HR functions, employers today are increasingly outsourcing this to external headhunting agencies. "Most big companies today are happy to have their HR people off recruitment," says Kelly Services' Khanna. Consequently, the explosive demand across sectors and functions has forced search firms, too, to ramp up. All the headhunters *BT* spoke to admitted that they are expanding their workforce 60-200

VIVAN MEHRA

Quality-conscious: LG's Verma require his HR managers to be highly-qualified

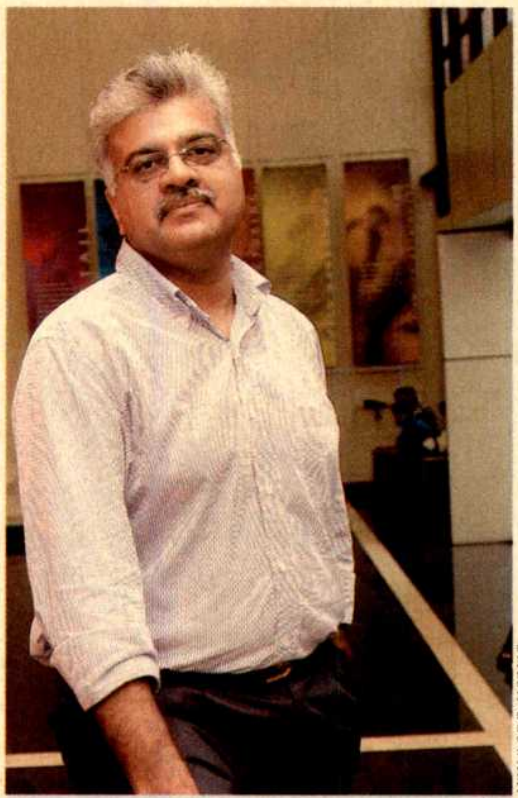
BHASKAR PAUL

Building careers: HDFC Bank's Maitra focusses on creating the right environment

recruitment to external headhunting agencies

per cent. The bulk of this growth is driven by the services sector.

High attrition rates are the bane of most industries. "Companies cannot take employees' loyalty for granted anymore," points out Ronesh Puri, Managing Director, Executive Access, an executive search firm. "To counter this," says Sudhakar Balakrishnan, COO and Executive Director, Adecco Peopleone, another placement firm, "employee engagement and retention training have become the primary focus of HR managers." Many companies also depute junior and mid-level HR professionals to work very closely with other departments, in effect, converting HR management from a staff to a line function. "They are expected to support business leaders by aligning HR processes with business requirements and take change initiatives of the business forward; so HR personnel must have a conceptual understanding and experience of business functions," says Balaji.



UMESH GOSWAMI

Attitude counts: Pantaloon's Jog says academic qualifications are only the starting point

Such a high degree of specialisation means that even experienced HR professionals often find it difficult to cope with the new demands of this still evolving field. HDFC Bank's 52-strong HR department, for example, has specialists in Learning and Development, Employee Relations, Remuneration and Benefits, Resourcing, HR Operations, Performance Management and Reward Planning, Career and Succession Planning, and Talent Management. "Some of us may be taking care of more than one of these functional areas," says HDFC Bank's Maitra. LG Electronics, too, encourages specialisation. Its 34-strong HR team has experts in Training, Culture Building, Recruitment, Organisation Development Intervention, Talent Management, and Labour Relations. Not surprisingly, "there is an acute shortage of HR talent at most dynamic organisations," says Balaji. This puts a premium on people who do possess the relevant skills.

So what do recruiters look for while hiring HR personnel? "The first thing recruiters look at is education," says Khanna. Puri agrees. "An overwhelming majority of companies still prefer the MBA tag," he says. But educational qualifications can only be the starting point of an elimination process. "In people-oriented sectors like retail, the most important qualification for an HR candidate is attitude," says Sanjay Jog, Head, HR, Pantaloon Retail. After the first job, though, what matters most is experience. In fact, organisations today prefer, and even encourage, people from other domains to spend some time in their HR departments. "At TCS, we encourage technical workers to work in the HR side for a couple of years and vice versa," says Padmanabhan.

Interestingly, quite a few headhunters and employers say they prefer non-IIM (Indian Institute of Management) graduates for HR functions "as IIM grads have very high expectations and get disillusioned very fast if they don't achieve their goals." And, at the entry level, graduates from Tier-I institutes like Xavier Labour Relations Institute (XLRI), Jamshedpur, and Tata Institute of Social Sciences (TISS), Mumbai, are paid considerably higher salaries than those from Tier-II colleges (see *Salary Structures*). Beyond this, it is, as it is in the case of most functions, an issue of natural selection with experience and company mattering more than educational background.

The general consensus is that the demand for HR professionals will remain robust. The economy is expected to canter along at 8 per cent plus in the foreseeable future; millions of new jobs will be created over the next 3-5 years; and the industry thumb rule says at least 5,000 HR professionals will be required for every million jobs. "Companies require HR people to help their employees build careers," says Khanna. Puri, though, advises caution. "I see a correction happening around 2008," he says. If his prediction comes to pass, it will, at worst, retard job creation in the HR function by a few hundreds only. We're still talking of a massive, incremental job creating machine. Most HR pros, and wannabes, will take that.

Call Of The Wild

If you love nature and don't mind odd hours, there could be a job waiting for you.

WITH OVER TWO MILLION ECO-TOURISTS EXPECTED to visit India this year, hospitality companies across the spectrum are queuing up to hire naturalists. You don't need an armful of degrees; all you need is intricate knowledge of the wild and an affable personality. "You must be able to identify animals in the wild and should be prepared for unexpected questions from guests," says Vikram Nanjappa, Senior Naturalist with Wilderness Resorts (an eco-tourism venture). Salaries aren't too bad either; freshers can expect Rs 10,000-Rs 15,000 per month, and given the boom in the market, the upside is practically unlimited. Be warned: early hours are a must (remember the dawn safari?) and guests can be demanding, "There aren't courses that teach this subject in India, so we have to look for on-the-ground knowledge in candidates," says Tiger Ramesh, CEO of Wilderness Resorts.

RAHUL SACHITANAND

DEEPAK G. PAWAR

Boom time: Wilderness' Nanjappa (R) is preparing for the unexpected

COUNSELLING

HELP, TARUN!

Q: I am a 26-year-old with an MBA (dual specialisation in HR and marketing). I am keen to work either in the corporate sector or in academics. Please advise whether I need to pursue a PhD or get any other degree to be qualified for my areas of interest.

You have an interesting combination of specialisations. However, you have to decide if you want to work in the corporate sector or academia and accordingly decide whether to pursue any further qualifications. If your calling is academia then you will certainly require a PhD which you can then embark upon. But, immediately pursuing a long-term programme or degree will only slow down your career.

Q: I am an 18-year-old and have recently cleared my Class XII exams (PCM stream). I am quite good at drawing/painting/sketching and want to pursue a career in the field of architecture. Are there any institutes/colleges that offer a bachelors degree in architecture?

Because you are good at painting/drawing does not mean that you are made to be an architect. However, there are several colleges that offer degrees in architecture like Rachana Sansad, NID, etc. You should try to pursue these as well as courses in interior designing or even commercial art.

Answers to your career concerns are contributed by Tarun Sheth (Senior Consultant) and Shilpa Sheth (Managing Partner, US practice) of HR firm, Shilputsi Consultants. Write to *Help, Tarun!* c/o *Business Today*, Videocon Tower, Fifth Floor, E-1, Jhandewalan Extn., New Delhi—110055.

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Senior Management Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

OCWEN, Senior Manager - Real Estate Development, Bangalore, 10 - 15 Years, 2134810
Will be responsible for building & managing a portfolio of commercial real estate assets in India & must be capable of identifying opportunities available through development of new projects & acquisition of existing properties.

Dell Computer Corporation, Senior Knowledge Management Officer, Bangalore, 8 - 14 Years, 2030964
The position assesses knowledge management needs, develops strategies to meet those needs, identifies & obtains required resources & ensures access by the staff & management of the DIS analytics organization and internal and external clients.

Zensar Technologies Ltd., CRM Practice Head, Pune, 10 - 15 Years, 2158878
Must have worked extensively on Oracle CRM. Must have implemented Oracle CRM modules. Should have been involved on the functional analysis of the CRM modules too.

Newgen Software Technologies Ltd., Sales Manager - International Market, Delhi, 7 - 10 Years, 2141669
The incumbent will be responsible for selling of product/solution directly or through alliances in the market segments like banking, financial institutions, insurance, etc.

Hindustan Biosynth Ltd., Commercial Officer - Central Excise & Strores, Vadodara, 7 - 10 Years, 2141626
Candidate should be well versed with various aspects of Central Excise and stores related duties of a WHO - cGMP pharmaceutical formulations manufacturing company.

Magna Steyr (I) Pvt. Ltd., Head-CAE & Structural Durability, Pune, 8 - 12 Years, 2141051
Lead a team of engineers involved in CAE & simulation activities in the area of automotive powertrain, chassis & BIW for domestic and overseas automotive OEMs. Responsible for project acquisition & management, customer interactions in addition to overseeing the day-to-day technical activities & problem solving.

Infotech Enterprises Ltd., General Manager - Finance, Hyderabad, 15 - 20 Years, 2150657
Should be able to handle finance, US GAAP, Indian GAAP, corporate taxation, international taxation, guide and direct group finances.

Real Soft Inc., Marketing Manager, Bangalore, 10 - 15 Years, 2139655
Should have good understanding of IT product and services market & be responsible to manage the entire gamut of marketing, must have dealt with C- Level personnel of SMEs, large corporates etc.

Elixir Web Solutions, Network Manager, Delhi & Gurgaon, 8 - 10 Years, 2128749
Responsible for delivery of message broker solutions, interfacing to network provider for testing and integration, delivery AAA for SDP and will participate in the network testing activities including writing test cases for network related testing.

SQL Star International, Test Manager, Bangalore, 7 - 12 Years, 2009894
Responsibilities include handling a team of test engineers and interacting with client. Must be very good at creation of test plans, test enviourment, estimation & framework. Experience in software testing will be advantage.

Tesco India, Development Manager, Bangalore & Chennai, 7 - 10 Years, 2128183
Job involves scope planning, scope verification, scope change control, activity definition, sequencing, estimation & schedule development, resource planning & utilization, cost estimation & cost control.

Fidelity Business Services (I) Pvt. Ltd., Black-Belt Process Analyst, Bangalore, 7 - 10 Years, 2135020
Work closely with US partners to identify & drive process improvement initiatives within the organization, provide an off-shoring perspective to various six sigma process improvement initiatives driven by US partners & facilitate project identification & completion with champions, process owners & Green Belts.

Infanet Solutions, Manage Operations, Bangalore, 8 - 10 Years 2135958
The candidate must have experience in I service delivery. Experience in remot infrastructure management will be a plus. H must have good knowledge of overall I infrastructure.

Niranthara Solutions, Desig Manager - Microcontroller Busines Unit, Bangalore & Hyderabad, 7 - 10 Years, 190804
Responsible to finalize specs of IPs/block and ICs along with system design team, t carryout and guide RTL design, synthesis verification and timing analysis of post- layou netlist, project scheduling, feasibility analysis design review, etc.

SIS Software (I) Pvt. Ltd., Projec Manager (.Net), Hyderabad, 8 - 10 Years, 2143701
Must have knowledge of ASP.Net, C++, VI .Net, SQL server, Oracle 8i, 9i etc wit experience in doing analysis and development

Oracle India Pvt. Ltd., Solution Architect, Delhi & Gurgaon, 7 - 10 Years, 2143583
Will work with other engineers, managers product management, & internal & externa groups to develop innovative solutions tha meet market needs with respect t functionality, performance, scalability & reliability.

Hewlett Packard, Competency Cente Engineers, Bangalore, 8 - 10 Years 2095000
The ideal candidate must have practica customer support experience in an enterpris IT environment. Must have goo troubleshooting techniques and good systen administrator knowledge: both GUI an command line actions.

Kirloskar Pneumatics Co. Ltd. Materials Manager, Pune, 8 - 12 Years 2127743
The role involves procurement of raw material/forging, casting, consumables, tools capital items & transmission items, head of procurement of raw material/forging casting, consumables, tools etc.

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IT Jobs

Lead in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

Cimcon Software (I) Pvt. Ltd., Module Leader/ Project Leader for ASP.NET,NET, .NET, Ahmedabad, 1-10 Years, 1972172
Must have experience in Microsoft Technologies (ASP.NET, VB.NET, C++, Oracle, PL/SQL, ASP). Responsible for leading a team of software professionals and develop software in .NET technology.

Aurona Technologies, Art Director, Hyderabad, 4- 20 Years, 2139081
Lead and mentor the art team to create the best possible graphics; work with project artists to create visually stunning game graphics; set and maintain international art quality standards; develop and maintain style guide and art pipeline document etc.

Intelligroup Asia Pvt. Ltd., Consultant / Senior Consultant / Principal Consultant, Bangalore & Hyderabad, 2-5 Years, 2161635
Overall experience should be 3-10 years out of which SAP BIW experience must be 2-5 years. SAP BIW/BI R/3; BW-BPS or BW-APO, BIW Reporting experience is mandatory.

Flextronics Software Systems, Technical Leader (Wireless), Gurgaon, 4-7 Years, 2122285
An experienced team lead having planning and development experience in a telecom environment, telecom experience in 3G /GSM /GPRS on Access Network side & good understanding of nodes like RNC, MSC, HLR & UMTS.

EMC Data Storage Systems (I) Pvt. Ltd., Senior Software Engineer/ Principal Engineer, Bangalore, 1-7 Years, 2092340
Will be responsible for documenting test procedures, reporting test results & verifying bug fixes. Must have solid understanding of Windows operating systems & Windows I/O subsystems with storage systems experience, particularly with EMC Symmetrix.

Aakit Technologies Pvt. Ltd., SAP Basis Consultant, Mumbai, 1-5 Years, 307728
Looking for experienced SAP basis consultants for our new implementation projects.

Reliance Communications, Web Developers, Mumbai, 3 - 5 Years, 1871496
Designing of web pages, panels, banners for different media print, internet (online), management of website and continues updations, planning and building functionality for online trading of services, single sign on features and messaging server customization.

Strategic Technology Innovators, Graphics Designer, Website Designer, Ahmedabad, 1 - 2 Years, 393955
The required candidate should have good knowledge and experience on Adobe Photoshop, Dreamweaver, Flash etc.

CSC, Mainframe Professionals, Chennai & Noida, 1-8 Years, 2158772
Professionals must have skills in COBOL, CICS, DB2, JCL, MVC, VSAM, and IMS DB, IMS DC, PL1, Endevor, Xpedator, Natural Adabas, Easytrive, MQ Series etc.

Devine Software Technologies, Hyperion Developer, Hyderabad, 2-4 Years, 1862290
Will develop and maintain data source to target data mapping. Atleast 1-2 full life cycle of Hyperion essbase/planning/HFM (Hyperion financial management) implementation experience or experience of 2-3 Hyperion Essbase/Planning/HFM system maintenance/support and enhancement projects as an administrator.

Techroots Solutions Pvt. Ltd., Oracle DBA, Noida, 2-5 Years, 2158548
To support software, and hardware including those not specifically developed or configured by the individual and support software, and hardware including those not specifically developed or configured by the individual.

IBM India Ltd., SAP(All Modules), Bangalore & Hyderabad, 3 - 10 Years, 2162374
The incumbent should be expertiese in their respective SAP modules with atleat 2 end to end implementations completed.

CEI India Pvt. Ltd., J2ee Technical Leads, Chennai, 5-7 Years, 330065
The person muct have experience in Java, J2EE, EJB 2.0, CMP 1.1 or 2.0, JSP, Servlet and design patterns experience. Should be expertise in Rational Unified Process Methodology.

Tech DDI, Technical Writer / Website Content Writer / Technical Support, Noida, 0-2 Years, 2142383
Must have excellent computer software knowledge for software help documentation writing, website content writing and technical support to guide our data recovery software customers.Responsible for writing website contents, software help manuals, documentation, online user help etc.

MAQ Software, Software Test Engineer/ Test Lead, Mumbai, 2-6 Years, 1988592
Must be experienced in working on a Microsoft account that is employee of Microsoft Corporation or Microsoft vendor employee.

Novator India Pvt. Ltd., Lead Web Developer (eCommerce), Mumbai, 5-50 Years, 1967259
The candidate will provide web development leadership to a team built to design, analyze and continuously improve our Indian client's online retail websites.

Deloitte, SAP CRM Technical consultant, Hyderabad, 4 - 8 Years, 1992329
The role would involve setting up landscape, data exchange with R/3 and or legacy, BDOC modeling. Knowledge of BAPI, ALE and RFC is required. Must have skills in object oriented ABAP and XML focus on screen changes, classes and function module, reports and data conversion, BADI and BAPI.

BSR IT Solutions Pvt. Ltd., Tools Engineer, Bangalore, 3 - 5 Years, 2140628
Will perform RCA/PIPP/PASD on network problems, identify chronic problems and take action to identify and resolve the root cause, perform network configuration changes in response to client issues.

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Sales and Marketing Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

Detection Instruments, Marketing Assistant - Male, Mumbai, 0 - 2 Years, 1849557
Must have experience in handling marketing department's activities like preparing mailers, presentations, participating in exhibition/seminars, advertisement, database management etc. Proficiency in computer applications is a must.

Scope P & M Pvt. Ltd., Marketing & Sales Engineer, Mumbai & Pune, 1 - 3 Years, 2140139
The required candidate should have experience in marketing of medical equipment and/or direct marketing of consumer durables.

Subex Systems Ltd., Senior Manager-Product Marketing, Bangalore, 7 - 12 Years, 2150236
Manage a group of product marketing managers/executives. Provide leadership to facilitate individual and group success. Establish practical goals for the individual team members and monitor their achievement periodically.

Winsoft Technologies (I) Pvt. Ltd., Marketing Manager, Mumbai, 5 - 7 Years, 423707
Must have experience in IT - software marketing/sales, He should have experience in handling marketing and promoting sales, presenting solutions to customers and generating new leads and msut have excellent record of planning and achieving sales target.

Suyog Equipments Pvt. Ltd., Marketing Manager, Pune, 3 - 7 Years, 2130101
Responsible for all corporate marketing activities. Will pursue our marketing policy and strategy and identify potential customers among the expected market area, facing corporate customer and convince them and must solve their queries and complaints if any.

Taarak India (P) Ltd., Tele Marketing Executive, Delhi, 1 - 3 Years, 2127766
The role involves inside sales, assisting sales team with new leads, cold calls to corporates, creating the mailers, day to day CRM updations etc.

GTN Textiles Limited, Officer/ Coordinator (Marketing), Kochi, 2 - 5 Years, 2143798
Responsible for production planning process, review of production planning, co-ordinate between the logistics, production units, purchase & to the customer for order execution, updating of marketing data & records etc.

Alsen Industries, Sales Executive, Kolkata, 1 - 20 Years, 2144417
Candidate must have good marketing skills and he should possess technical knowledge which may be required for demonstration of our chemicals on leather.

Colorcon Asia Private Limited, Area Sales Manager, Mumbai, 5 - 10 Years, 424733
The incumbent will be responsible for sales strategizing, managing and achieving a high level of sales growth and maximizing company's return. Must have good sales track record, in-depth knowledge of selling to Pharmaceutical markets in India.

Baumuller - KAT India Pvt. Ltd., Executive - Tech Sales, Pune, 8 - 10 Years, 2151863
The candidate should have knowledge and expierience in packaging, printing, plastic, machine tools, robotics, textile industry, AC servo drives, motors etc.He should be technically sound in understanding applications.

Softz Solutions and Co. Pvt. Ltd., Marketing Analyst, Kolkata, 2 - 3 Years, 2129758
Candidate should have prior experience for both online and offline marketing, preferably in web site marketing.

Sigma Info Solutions Pvt. Ltd., Marketing Executives, Bangalore & Chennai, 1 - 2 Years, 2162508
The ideal candidate must have exposure in marketing of IT products and services. Should have good presentation skills with good knowledge of Microsoft office.

Tata Ryerson Limited, Executi Marketing, Kolkata, 3 - 5 Yea 2154388
The job involves marketing concept of company products or new produ implement strategies aligned to the Ann Business Plan (ABP), provide input Annual Marketing Plan, drive the sales team achieve high customer satisfaction etc.

Gates Computing Pvt. Ltd., Web Sal Executive, Mumbai, 2 - 5 Years, 3171
Must have experience in sales or market with good knowledge of computer hardw and software and ability to work to ti deadlines and meet targets.

Metaminds Software Solutions Lt Online Marketing, Hyderabad, 3 - 4 Years, 2150050
Responsibilities will include web/technol research, proposal writing, costing/ti estimating, and strateg meetings/discussions with the client tea Experience in online sales, marketing, inter marketing, internet, marketing, managem strategy, email marketing etc.

Adarsh Trading, Sales Executi Kolkata, 2 - 16 Years, 2130133
The person will be involved in sell imported range of interior decorative a hardware products of high quality. He sho have prior experince in marketing.

Carewell Biotech Pvt. Ltd., Sal Executive/ Area Manager, Jalandh 1 - 3 Years, 2128498
Person is required to promote compa products (medical diagnostics, point of ca to hospitals, nursing homes and clini laboratories in the given area through dea network and directly to large Institutions.

Sampoorna Computer People, Sal Manager, Bangalore, 5 - 7 Yea 2143120
Will be responsible for new sales, growth a development of the India territory with foc on financial institutions with credit card online banking applications, generating n customer opportunities as well as maintaini and growing revenue within existi enterprise accounts.

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Finance Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

Pace Automation Ltd., Manager, Finance & Accounts, Chennai, 5 - 7 Years, 2145346
The incumbent will have charge of all finance functions and be extensively involved in liaison with banks and external agencies like Customs, Excise, Sales Tax and Service Tax departments.

Karl Storz Endoscopy (I) Pvt. Ltd., Finance Manager, Delhi, 5 - 12 Years, 2162606
Will be independently responsible to develop and manage day to day operations of the finance department, meet statutory and taxation requirements and co-ordinate with external auditors and controlling department of overseas based headquarters.

Frost & Sullivan (I) Pvt. Ltd., Finance / Accounts Executive, Chennai, 0 - 4 Years, 2149969
Responisble for payables and accounting entries for all the locations in Tally, filing and documentation. Preparation and calculation of TDS and records management for statutory compliances. He should able to handle the division with minimum supervision.

Witco India Pvt. Ltd., Accounts Assistant, Chennai, 2 - 3 Years, 2143329
Job involves book keeping, ledger postings, banking, voucher writing, salary working, labour and PF book maintanance.

Transdyne IT Services Pvt. Ltd., Finance Executive, Hyderabad, 0 - 2 Years, 1887212
Will be involved in accounting functions like payroll, accounts reconciliation, responsible to carry out accounts related statements, general expenses accounting, bank reconciliation statement, regular TDS compliances and TDS return filing etc.

Technical Systems Corportation, Manager Accounts & Costing, Mumbai, 3 - 5 Years, 2142563
The desired person should have experience in MIS, budgeting, accounting, costing, direct taxes, excise and VAT.

Infoview Technologies, Manager Finance, Chennai, 3 - 5 Years, 1999603
The required candidate should have knowledge in STPI procedures, export procedures, software invoicing budgeting, analysis, accounting etc.

Pavan Systems, Manager-Finance / Asst. Manager / Ex- Finance, Mumbai, 2 - 8 Years, 2151316
Responsibiloties include planning and budgeting, business unit analysis, preparin project report & presentation, stock market analysis, feasibility study of future project and evalution of new projects and suggesting alternative financing option for these project.

Anglo-Eastern Ship Management (I) Pvt. Ltd., Accounts Assistant/ Executive, Mumbai, 2 - 7 Years, 323983
Responsibilities for the post include handling ship Accounts, viz. preparation of portage bills, crew wages, allotments processing, liaison with our offices in other countries and masters of ships.

PACL India Ltd., Assistant Manager Accounts (Taxation), Delhi, 5 - 7 Years, 2135331
Candidate must have experience in the field of taxation like sales tax, service tax, income tax, work contract tax etc. Excise tax knowledge is preferrable.

Sentini Technologies, Asst. Manager (Accounts), Vijayawada, 9 - 15 Years, 2132017
The job involves preparation for monthly financial statements like balance sheet, profit & loss sccount receipts & payments accounts, reconciliation of accounts, preparation annual financial statements, finalization and conduct of audit of accounts.

DSM Infocom Pvt. Ltd., Accounts Executive, Mumbai, 1 - 2 Years, 2131999
Must assisst in preparation, payment of salaries and accounting the same working with Tally accountig and payroll package. Maintenance of company accounts. Dealing with different government agencies for tax, PF etc.

SKP Group, Tax Executive, Pune, 1 - 5 Years, 2144217
Must have experience in return preparations and filling in direct tax, direct tax representaions, book keeping, financial statement preparation.

Kanbay, Senior Financial Analyst, Pune, 4 - 7 Years, 2139295
Responsibilities include assisting in preparation of business plans, budgets and helping business users in forecasting, analysis and summary of findings from trends from internal metrics and reports generated, analysis of variances and reporting of underlying factors etc.

3I Infotech Ltd., Executive - Tax, Mumbai, 2 - 5 Years, 2146781
Should have understanding & exposure in direct taxation and should be able to assist in various direct tax matters. Broad responsibilities can be summarised as: compilation of Tax Audit requirements, quarterly payment & preparation of return of FBT, preparation of wealth-tax return, compilation of details for various Income-tax proceedings, etc.

Software Pundits (I) Pvt. Ltd., Lead Accounting Supervisor, Bangalore, 2 - 4 Years, 1862306
Should have experience in accounting and supervising people in a professional environment. He will be responsible for supervising individuals, supporting all accounting functions as well as financial and operational reporting.

Polaris Software Labs, Credit Card Operations, Chennai, 3 - 7 Years, 2145202
The candidate must have experience in credit card operations in a bank covering the areas of billing, merchandising, fraud control, customer payments, customer service etc.

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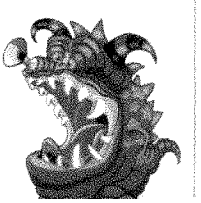


Modern garbage: A Greenpeace protest against e-waste allegedly dumped by tech giant Wipro

Hardware Hazard

Bangalore is fast turning into a dumping ground for used PCs and worryingly enough most of the recyclers are hole-in-the-wall units. RAHUL SACHITANAND

BANGALORE
Wednesday, July 5, 2006

TUCKED AWAY IN THE BYLANES OFF WHEELER Road in central Bangalore, Ash Recyclers is an unpretentious three-storey building that houses one of a small group of legal waste recyclers in the country. While the fashion is to buy the latest computer or the most feature-laden cellphone, Shetty Puttana Sreenath, 62, a mechanical engineer by education, is making his money from re-furbishing and recycling old and discarded computers and other electronic equipment. Across town, S. Parthasarathy, a post-graduate in chemical engineering from IIT Chennai, is giving him company at his 1.5-acre unit called e-Parisaraa, which works through around one tonne of e-waste every day.

The numbers certainly seem to suggest that the

Blinked out: A pile of abandoned computer monitors

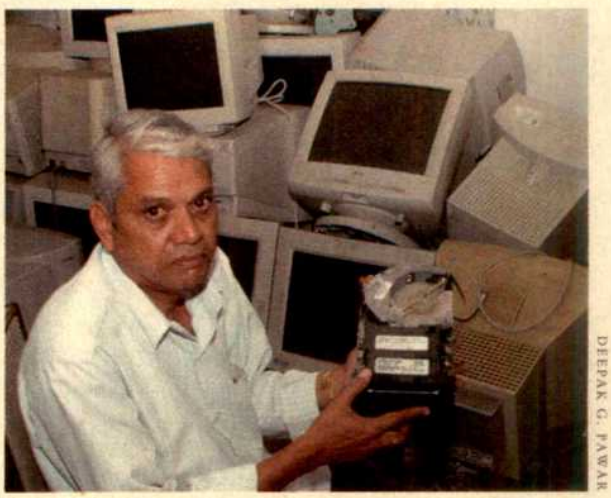
Make me new: An employee at work at e-parisaraa

duo has caught a good trend. Since 1997, more than 450 million PCs are estimated to have gone obsolete in the US. The number isn't as gargantuan in India (environmental NGO Toxic Links estimates that it's around two million currently), but a dearth of safe recycling and disposal units in the country's tech capital, Bangalore, means that a large chunk of this obsolete electronic waste, or e-waste, is disposed in unregulated, often family-run units on the Silicon City's outskirts. At last count, Sreenath and Parthasarathy's were the only two approved units in the country, while another 500 mom-and-pop units in and around Bangalore accounted for the rest of this market.

E-waste, already a major issue elsewhere, is only now attracting attention in India. Environmentalists say that e-waste contains a lethal cocktail of plastics, iron, mercury, barium and cadmium and these chemicals can poison the local environment and have serious health implications for many workers employed at these small factories. "Given how quickly these (hardware products) are growing, this is an area of grave concern," says Ravi Agarwal, Director of Toxic Links. "Aside from the locally-generated obsolete equipment, India and Bangalore are being targeted as destinations for illegal imports," says Ramapati Kumar, Toxics Campaigner, Greenpeace. India is a signatory to the Basel convention, which prohibits transportation of such waste.

Even as Greenpeace targets some hi-profile IT companies in the city such as Wipro for allegedly dumping its old PCs with unauthorised recyclers (a Wipro spokesperson declined comment), the trade itself is convinced there's no issue here. "I don't believe that there is an e-waste problem at all in India," says Ash Recyclers' Sreenath, as he walks this writer through three floors of his recycling unit in central Bangalore. The gentleman argues that as much as 95 per cent of a so-called old computer can actually be re-used or re-furbished and passed down the chain from large corporates to institutions such as government schools that can't afford new machines. Sreenath pays an average of Rs 15-20 per kg of e-waste sourced from consumers, corporates and the grey market and claims to have a 50-100 per cent margin on re-furbished products.

While his facilities appear crude and functional, rather than clean and sophisticated, India's largest e-waste recycling unit in Dobespet, 50 km south of Bangalore on the way to the small town of Tumkur, is an indication of just how big business could get for



DEEPAK G. PAWAR

Not quite junk: Recycler Sreenath with some old equipment

those willing to enter the market early. Across 1.5 acres of land in the Dobespet industrial area, Parthasarathy, has established India and perhaps south Asia's largest recycling unit. "The objective of e-Parisaraa is to create an opportunity to transfer waste into socially and industrially beneficial raw material using simple, low-cost, home-grown, environmental-friendly technology," says Parthasarathy. Over the last 18 months, he has implemented a non-incineration methodology for e-waste management that involves dismantling, segregation, crushing, grinding, pulverising and finally density separation.

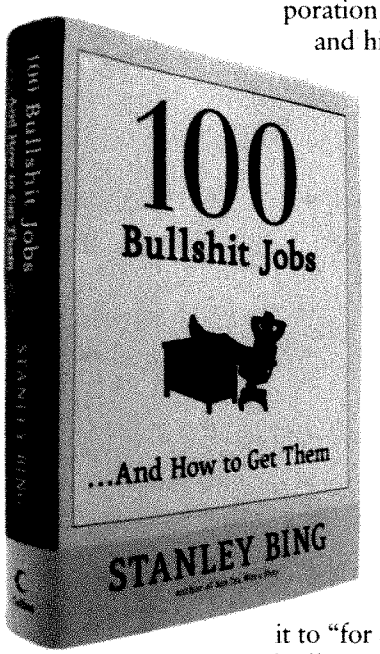
Government officials tell me that at least five or six overseas recyclers are looking to invest in India and most of them are targeting Karnataka and Tamil Nadu for their large facilities. "We have proposals from companies in the US, Singapore and Korea currently," says P. Bineesha of HAWA-GTZ, a private-public partnership for e-waste management. E-Waste in a society that is increasingly going electronic is inevitable. In fact, experts see a Rs 9,000-crore market coming up for e-waste over the next four years. The answer then is not to shut down recyclers, but to help them get organised and follow safe practices. ■

Jobs Made In Heaven

Corporate America's best-known humourist on the 100 jobs you and I ought to have. SANJOY NARAYAN

100 BULLSHIT JOBS
...And How To Get Them

By Stanley Bing
Collins
Pp: 297
Price: Rs 605



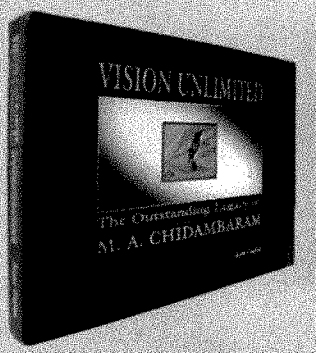
I DON'T KNOW ABOUT YOU, BUT I ALWAYS READ *Fortune*'s back page first. Regular readers of that iconic American magazine will know Stanley Bing's *While You Were Out* column, an irreverent take on corporate life, which appears on that page every fortnight. Bing (not his real name) has a day job as a senior executive in a huge US corporation and his fortnightly column is satirical and hilarious as it tackles wide-ranging issues relating to executive work, life and angst. Well, Bing has a new book out—*100 Bullshit Jobs... And How to Get Them*—which like his popular column is a laughter-provoking list of a hundred jobs that he says are nothing, but bullshit. There's a short introduction explaining what 'bullshit' jobs are. Sample: *Bullshit is not what is true, but what we wish might be true. That is, bullshit is hope.*

Bullshit jobs are coveted occupations, because they are "(1) easy, (2) prestigious, (3) pay well and (4) offer a path to even bigger bullshit jobs". After a short discourse in "Bulshitting", Bing lists 100 bullshit jobs (that number by his own admission is too small, but is what his publisher wanted him to limit it to "for some kind of bullshit marketing consideration") and tells us why they are so and what it takes to get each one of them.

The list spares no job, from the Vice President of the United States whose skills require him to "be very, very quiet" to Ayurvedic Healer, who needs to know "spa management, avec un soupçon de Buddhism" to Executive Vice President of New Media whose duty is to "whip up an enormous storm of bullshit that makes everybody feel like the corporation is on the cutting edge of everything revenue-generating". Bing cites famous examples for each category of jobs that he lists, besides skills needed to get them and their upside as well as downside.

The best thing about the book was that I could read any part of it at a time, picking nuggets randomly or by going through the contents where jobs are listed alphabetically, as in *Diet Doctor, Dolphin Trainer, Economist, Escort*... One chapter is about how to calculate ß or the bullshit quotient of your job. Bullshit quotients range from 0 to 200, with the highest rating of 200 reserved for Donald Trump, who Bing says is "arguably the #1 bullshit artist on the planet".

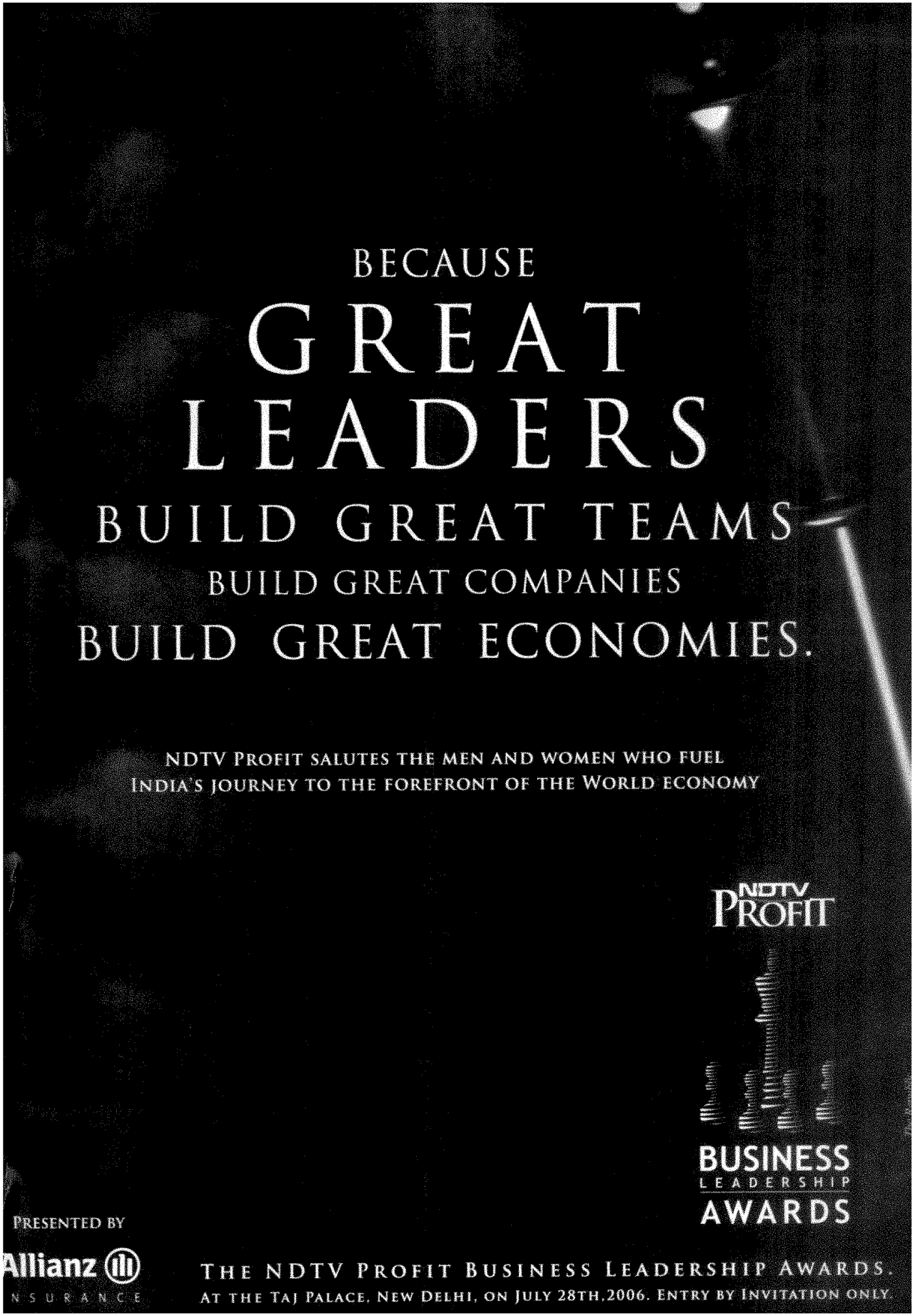
It's a fun read, especially on those days that you're fed up with your job, your boss, your colleagues or the world in general. The hardback edition is a mite pricey, but it could find pride of place next to the throne in your bathroom. And no, I'm not inspired by the title when I say that. ■



VISION UNLIMITED

By Sujoy Gupta
Blue Pencil
Pp: 321
Price: Not available

THERE ARE TWO THINGS YOU CAN readily say about most south-based industrialists. One, they love to stay focussed on their part of the world and, two, they maintain an extremely low profile. But not Muthiah Annamalai Chidambaram. Born into the wealthy Chettiar family of Rajah Sir Annamalai Chettiar, Chidambaram—better known as MAC or just MA to friends—was the first to push his banking-and-trading family business into manufacturing. Starting with wood screws, he moved into sugar, liquor, two-wheelers (Lambretta scooters) and then fertiliser (SPIC). But Chidambaram was an industrialist only out of necessity. Long before delegation became a buzzword, he was actually practising it, using his free time to pursue things he was more passionate about: cricket, polo and philanthropy. He died in 2000, having lived a rich life spanning more than eight decades. Thanks to his commissioned biography, written by Kolkata-based Sujoy Gupta, the world will better know of his enormous contributions to industry, sports and social welfare. The photograph-heavy biography is designed like a coffee-table book, but the SPIC Group hopes that MAC's story will offer enough lessons in leadership even to B-school students and executives.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If I Were Lord Of Tartary

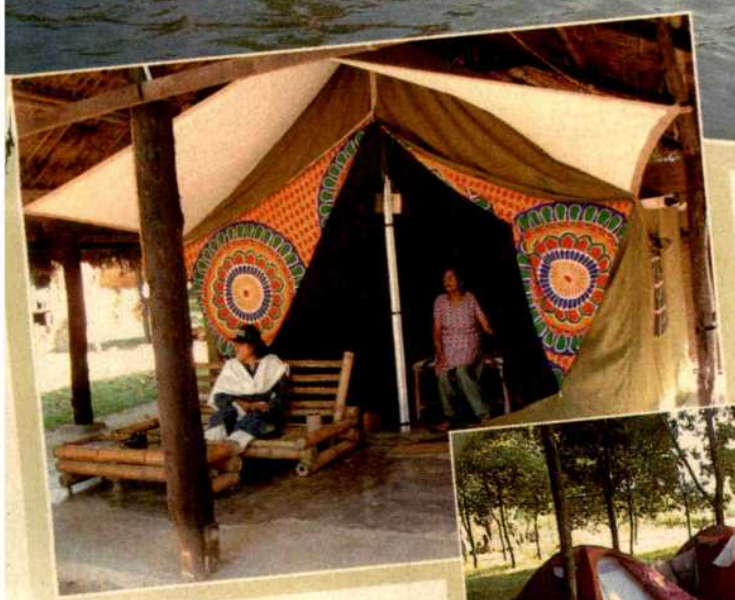
Sorry, you can't be. But you can get a feel of his lifestyle at several Darjeeling tea estates that are opening their doors to tourists.

RITWIK MUKHERJEE

Amidst flora and fauna: Rungamatee Tea Lodge and Garumara Jungle Camp (inset), which is adjacent to Batabari Tea Estate and Baradighi Tea Estate

SNOW-CAPPED PEAKS, FLAMING RED RHODODENDRONS, sparkling white magnolias, exotic forests, fern-filled valleys and emerald green tea bushes—Darjeeling holds many an attraction for tourists. Now, there's an addition to the list: the chance to stay on a tea garden and savour the fabled lifestyle of planters. Says Rajah Banerjee, the fourth generation scion of the family that runs the world's oldest single-owner tea estate, Makaibari Tea Estate, which also doubles up as a tea garden resort: "You can always stay comfortably in a star hotel, but you will never get to see and hear diverse flora and fauna, the chirping birds, rumblings of a distant waterfall and a dense forest from your room."

The Glenburn Tea Estate is located in a river valley



BEST TIME TO VISIT:
September-May

TARIFFS:
Rs 2,000-7,500 per night per couple (varies from garden to garden)

NEAREST AIRPORT:
Bagdogra

NEAREST RAILHEAD:
New Jalpaiguri

CLOTHING:
Check with garden manager

The adventure begins: River rafting (left), and camping out (below) are standard features in most packages

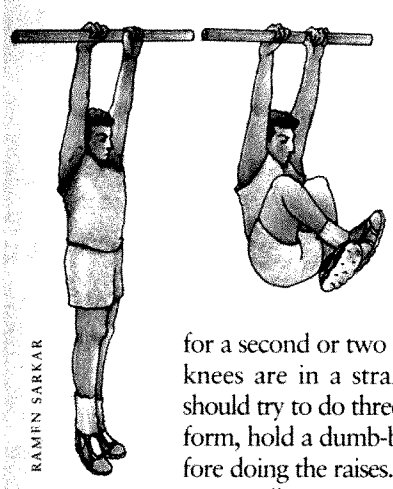
and offers breathtaking views of the Kanchenjunga. It stretches from an elevation of 3,700 feet, all the way down to the banks of two snow-fed Himalayan rivers, Rungeet and Rung Dung. On offer is a "Barbeque Weekend" at the colonial Glenburn Bungalow and an action-packed "Camp Out", which includes river rafting on the Rungeet and a hike through the adjoining forests that are a bird watcher's and hiker's paradise. Gardens like Phaskowa Tea Estate and Goomti Tea Estate have also jumped on to the tea tourism bandwagon. Kanwar Deep Singh, who owns the Dooteriah Tea Estate, admits that tourism offers Darjeeling's gardens, many of which are on the brink of financial collapse, a critical lifeline. "Tea planters have traditionally led luxurious lives. It's part of the industry's cultural heritage. Tea garden tourism simply packages this into a marketable form and offers people a chance to see and enjoy the lifestyles of colonial country gentlemen," says Raj Basu, CEO, Help Tourism, an NGO that promotes heritage Tea Tourism in Darjeeling and the Dooars, and even organises individual tours.

"It's a truly royal experience. You get the comforts of a top-end hotel amid lush green nature and wish you'd left your wristwatch back home," says Manishi Mukherjee, Country Head of US software firm Varian India, who recently stayed at one of these tea gardens. Tariffs range from Rs 2,000 for a double room at Makaibari to Rs 7,500 at top-end garden-resorts like Glenburn Tea Estate. Meals are served in sprawling British-era dining rooms by *masalchis* and drinks by *abdars*, but room service is also available. On the menu: Continental, Indian and Chinese cuisine, and some exotic local and Tibetan delicacies.

The authorities, for once, have latched on to a good thing. The West Bengal government and the Darjeeling Gorkha Hill Council (DGHC) are aggressively promoting tea tourism. They are encouraging garden owners to renovate and let out unused bungalows to tourists seeking seclusion in the company of nature. "Tea tourism has enormous potential and we are working to bridge tourism with conservation for the sustainable development of the local community," says Basu.

Do Crunches Help?

CRUNCHES, SOMEONE SAID, ARE THE CADILLAC OF ABDOMINAL exercises. There's nothing to beat crunches if you really want to develop your abs, provided you do them with good form and technique. The plain vanilla crunch, done on the floor, can be tricky to perform though as many beginners make the mistake of bending their neck to achieve the movement instead of using the abs to curl up the upper body. If crunches are done with good technique, they can help strengthen your abs but as I have mentioned before, no matter how much you exercise your abdominal muscles, you cannot get a ripped, washboard mid-section without reducing your overall body fat. And, for that, you have to check your calorie intake (read diet) and burn calories through cardio-vascular exercise. So, great abs=exercises targeting your abs + a healthy diet + running/rowing/cycling or any other cardio routine. I know, it's a lot of things but did you think getting a six-pack was easy?



RAMEN SARKAR

For this edition of Treadmill, I have an interesting exercise to stimulate your abs, the hanging leg raise. Grab and hold a high bar at shoulder or wider-than-shoulder width and hang from it. Now, raise your legs by flexing your knees until your hips are fully flexed—your knees should go as close as they can to your shoulders. Keep your back straight and do not swing from the bar as you do the exercise. At the top of the movement, hold for a second or two and then slowly extend your legs till waist, hips and knees are in a straight line once again. That's one repetition. You should try to do three sets of 10-12 reps. As the exercise gets easier to perform, hold a dumb-bell between your ankles or attach ankle weights before doing the raises. Remember, unless your waist is fully flexed, this exercise will not impact your abs and only your hip flexors will be affected.

A tougher variation of the hanging leg raise is one where you keep your legs straight at the knees and flex your waist till your legs are at a right angle to your torso. This is more effective than the bent knee hanging raise described above. My suggestion: begin with the bent knee raise and then slowly build in a set or two of the straight-leg version.

Most of us may have seen people at gyms doing an exercise called side-bends. You'll find hordes of people clutching dumb-bells or cables by their sides and bending sideways in an attempt to purportedly streamline their "love-handles" (you know the flabby parts at the sides of the waist). Here's my suggestion: don't do them. Well, not if you don't want a thick, square waist, heavy at the sides. These exercises unnecessarily build mass around the sides and defeat the purpose of abdominal exercises. If you have to get more defined oblique muscles (they run down the sides of your waist), do simple crunches where you can twist your torso (elbow to opposite knee) and alternate them between each side. Whatever exercise you choose for your abs, remember the cardinal rule: as soon as any exercise gets relatively easy to do, it means your muscles are getting used to them; that's when you have to make them tougher, either by adding weight or raising the difficulty level. On that potentially painful note, here's wishing you Happy Workouts!

MUSCLES MANI

write to *musclesmani@intoday.com*

Caveat: *The physical exercises described in Treadmill are not recommendations. Readers should exercise caution and consult a physician before attempting to follow any of these.*

ALL ABOUT SLEEP DISORDERS

STUDIES SHOW THAT ONE IN THREE men and one in 10 women experience sleep disorder.

What Is It: It is a physical and psychological condition, wherein sleep is disturbed by abnormalities of specific sleep mechanisms. Sleep disorders are generally classified into one of three categories: insomnia (problems in initiation and maintenance of sleep); narcolepsy (excessive daytime sleep); and parasomnia (sleep walking, sleep talking, night terrors, etc.).

Causes: Sleep disorders are often associated with situational stress, illness, ageing, diet (e.g. caffeine, alcohol) and medications. "Night shift workers often experience sleep disorders, as they cannot sleep when they start to feel drowsy," says Dr Sanjay Manchanda, Sleep Medicine Consultant, Sir Ganga Ram Hospital, New Delhi.

Symptoms: Says Dr Manchanda: "Symptoms of sleep disorders include excessive daytime sleepiness, trouble falling or staying asleep, irritability, loud snoring, morning headaches, depression and leg cramps." Studies show that persistent insomnia can, but does not always, lead to clinical anxiety or depression.

Treatment: Treatment for sleep disorders depends on the cause.

Insomnia: "One must consume less caffeine, avoid exercising late in the evening, and engage in a regular relaxation routine before bedtime," says Dr Manchanda. For patients who are overweight, a weight loss programme can be helpful.

Narcolepsy: There is no cure for narcolepsy, but symptoms can be managed with medication. Stimulants can keep a person awake during the day, and anti-depressants can help the patient sleep better at night.

Parasomnia: Treatment by a sleep specialist is necessary. It might involve medical intervention with prescription drugs or behaviour modification through hypnosis or relaxation/mental imagery.

MANU KAUSHIK

करना है, तो करना है.

बढ़ना है, भिड़ना है. अड़ना पड़े तो अड़ना है.
करना है, तो करना है.

गिरना है, फिर सम्भलना है, कुछ कर गुज़रना है. यही तमन्ना है.
करना है, तो करना है.

धड़कना है, गरजना है, बरसना है. लड़ना पड़े तो लड़ना है.
करना है, तो करना है. करना है, तो करना है.

क्या नहीं हो सकता अगर आदमी ठान ले तो, अगर सोच ले तो... कि करना है, तो करना है. फिर कोई सागर गहरा नहीं, कोई पर्वत ऊंचा नहीं. कोई मुश्किल मुश्किल नहीं, कोई चुनौती बड़ी नहीं. यही जज़्बा, यही मिज़ाज, यही सोच लेकर आया है **Channel 7**. हर ख़बर की तह तक जाने का जज़्बा, उसे हर कीमत पर पहुँचाने का जज़्बा, क्योंकि... करना है, तो करना है.

CHANNEL 7

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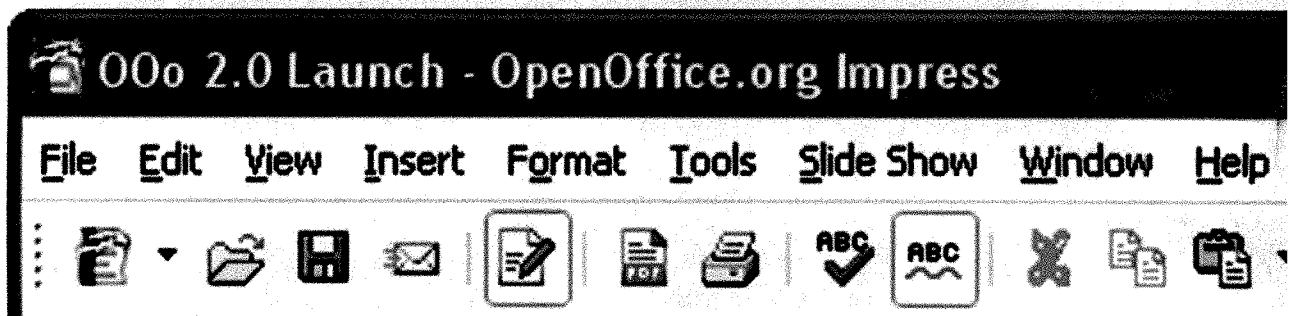


Free And Comparable

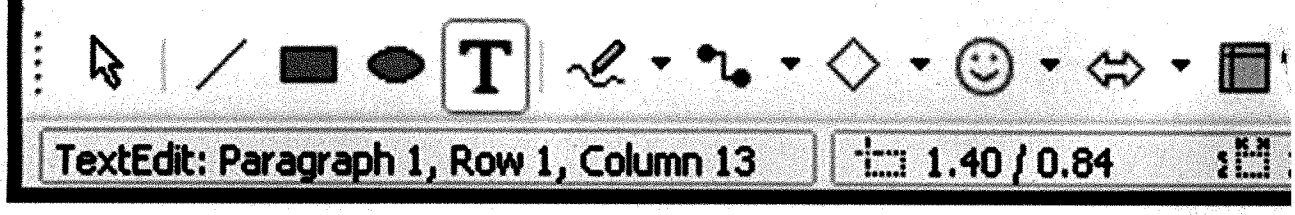
The release of Open Office 2.0 has made a compelling case for free software. But is "free" software all it's cracked up to be?

OPENOFFICE, OR OOO TO ITS FANS, IS actually nothing new. In 2000, I had played about with StarOffice (see *StarOffice Heritage*), a free downloadable office suite that tried to break the virtual monopoly of Microsoft Office in the space which is now defined as a Productivity Suite. StarOffice had a nice, light feel to it, but ultimately failed because it tried to do too much and really wasn't that useful. Sun Microsystems acquired StarDivision in 1999, and in mid-2000, its code became open-source. However, a restrictive licence means that Sun still has ultimate control over the software. Thus, OpenOffice, much like the open-source Firefox browser, will always have an "official" release. But it will be free, in the sense that you will not have to pay for it.

But is OpenOffice worth chucking away that brontosauraus called MS Office, which is probably the biggest resource hog in your computer? Yes and no. Let me explain why. Which is the most successful open-source software to date? The answer is FireFox, a very nice, neat, infinitely alterable internet browser. It was successful because the market leader, Microsoft Internet Explorer (see a trend here?), had become so grotesquely massive and difficult to use. Why has Linux never taken off? Simple; it's terribly easy to set up if you have a BSc or BTech degree and love tinkering with your motherboard every two hours, but ordinary people don't get it. Plus, there is no one Linux anymore. At last count, there were close to 15 major releases and many of them don't work with each other. With Windows, you know that there is XP and okay, every second hacker in the world wants to break it, but it works normally.

Back to OpenOffice; why will it work? It will because several offices are running either antiquated versions of Office or have antiquated machines (with nowhere enough memory) to run the latest versions of the Microsoft behemoth. And Office is expensive, very expensive to licence. (It is the Redmond-based colossus' most profitable division). Then, OpenOffice has a look and feel disconcertingly similar to MS Office. And it runs almost all MS Office documents. Impress (the presentation software) does not have any pre-loaded templates (considerably bringing down the download size), but you can create your own templates rather easily. And the Open Document Format (ODF) is an XML-based format; that means these files will open on contemporary versions of MS Office, and Microsoft has dedicated support to XML-based formats even in the future; so a switch will not mean limiting yourself to a small user group.

Maybe because I'm so frightfully used to MS Office, I just couldn't switch over that easily, but there were some nice tools and tricks in the software that you appreciate. On Writer (the word-processing software), you can automatically save your document as a Portable Document File (PDF), and it does look very similar to MS Word, but in case you use this program, do remember to turn on Autosave. In fact, the software that impresses one the most is not the



cornily named presentation software Impress (which does have a nifty export to Flash feature), but Calc, the spreadsheet software with an array of nifty features; making graphs on it is a breeze. However, to be totally honest, Google Spreadsheet, an online spreadsheet launched by the company, is actually better still.

And this makes you wonder about the future model for such software. In three years' time, will we need an Office suite on our hard drives at all? Or will high-speed internet access become so ubiquitous that we will operate not just online spreadsheets, but online word processors and online presentation tools all saved on online drives and rapidly transferred to colleagues online? A couple of years ago, people would have called me mad, but it isn't a pipe dream anymore.

But that sort of Productivity Suite environment is still two-three years away at the earliest. Until then, let's get back to OpenOffice, with its Writer, Calc, Impress, the three critical elements (Word Processor, Spreadsheet and Presentation software, respectively). The other part you download when you go to OpenOffice.org (and you have to download the entire suite) is Base, a database creation and editing tool similar to Microsoft Access. There is also Math, a mathematical equation editor (quite a nifty tool for engineering types) and Draw, a vector graphics tool, which can create highly complicated flow charts rather easily.

I liked OpenOffice, but I do plan to remove it from my machine because I didn't find it as invigourating as FireFox; MS Office does the job fine for me and the built-in compatibility with MS Outlook is one reason why it is still *numero uno*.

Final analysis: OpenOffice is a decent replacement for MS Office if you are sick and tired of the massive bills you pay to licence the product, but if you like the fact that you can call up someone if something goes wrong, stick with MS Office. Customer service is a really nice thing! ■

KUSHAN MITRA

STAROFFICE, THE HERITAGE

IT WAS FREE, BUT STAROFFICE STILL DIED AN AWFUL DEATH. THERE WERE many reasons for this. The primary one: the developers made one big mistake; they developed proprietary formats. This would have worked fine if tens of millions of people downloaded and used the software, but back in 1999-2000, broadband, as we know it today, was not even a zygote. Result: it was a pain to use. The dotcom crash was the last straw, leaving the creators of the software without funds; so it was hardly surprising when Sun Microsystems picked up the software and made it far more robust in its new avatar. But like that irritating super-evil monster in the last stage of a fantasy video-game, OpenOffice will find it difficult to defeat MS Office, but, hopefully, will not meet the same fate as its predecessor.

OPENOFFICE VERSUS MS OFFICE

OpenOffice saves its files in Open Document Format (ODF), an open-source Extended Markup Language (XML)-based format. MS Office saves its files in proprietary formats, but these can be opened by OpenOffice and you can even save your 00o files in MS Office formats.

OpenOffice is free—you can download it from *www.openoffice.org*; it will be a lengthy download and you have to download the entire suite, but you can instal programs individually. The "Office" division is Microsoft's most profitable division and when you go to buy the software you realise why—it costs a bomb-and-a-half.

OpenOffice has virtually no support. If you face a problem, you can't pick up a phone and ask a customer service representative to help you out. Ditto if you picked up your version of MS Office from your friendly neighbourhood software pirate, but you'll be fine with legit software.

OpenOffice replicates MS Office to a great extent, but there are no pre-loaded templates like in the latter, and even though templates are readily downloadable online, sometimes you want the convenience of having them there.

OpenOffice has a word-processor, a spreadsheet, a presentation creator, a database creator, virtually everything you need other than an e-mail and scheduling program like MS Outlook, which is an integral part of MS Office today. Is this a major reason to avoid the software? If your life depends on e-mail, you bet it is. However, you can download a very capable free e-mail client from *www.mozilla.org* called Thunderbird, but you'll have to somehow mate those two things together.

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THE Best COMPANIES TO WORK FOR IN INDIA

THE BEST COMPANIES TO WORK FOR IN INDIA: 2006

Registration for the survey closes shortly. Have you done the needful yet?

THERE ARE JUST A COUPLE OF WEEKS TO GO BEFORE WE CLOSE THE REGISTRATION for India's most anticipated annual survey of employee satisfaction. As you probably know, this is our sixth such survey, where Mercer Human Resource Consulting is the knowledge partner and TNS India, the interface-provider. The survey doesn't just consider employee satisfaction but also a company's investment in HR systems and employee training. Afraid that your large, non-services company won't score high in the survey? Don't be. As a general rule, *Business Today* will only reveal the names of the top 10 companies. Names of the other participants will be kept strictly confidential. So, stop thinking and start logging on to the survey website to register. How? Read the box below.

HOW TO PARTICIPATE

- Participation in this survey is open to any company that operates in India, irrespective of its ownership.
- Participating companies must have been in existence in India for a minimum of four years, and must employ at least 200 management/ executive-level personnel in India.
- To participate, companies should log on to **http://survey.tns-global.co.in/BestCompanies2006/Home.htm** and register online. Additionally, as part of the registration process, participating companies should download the registration form (available on the website), print it on the company letterhead and fax or courier the completed form to the following address:
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  Research Coordinator
  TNS India; CICD Tower
  Institutional Area, Hauz Khas
  New Delhi 110 016
  E-mail: Indrani.Raychaudhuri@tns-global.com
  Fax: 011-5256 6677
- Participating companies will be required to nominate a point person for the study who will be the study coordinator from the company's side.
- Participating companies will have to share information regarding their people practices, provide employee details from which a sample will be administered a questionnaire, and should be willing to throw themselves open to a physical audit by the survey partners.
- The last date for companies to register is July 31, 2006.
- By participating in the survey, companies are signalling their willingness to be part of the special issue *Business Today* plans to bring out on the Best Companies To Work For In India.
- The *Business Today*, Mercer Human Resource Consulting and TNS teams are committed to maintaining the absolute confidentiality of the study participants.
- At no stage will the names of the participating companies be released to any third party. And only the names of those companies that are recognised as The Best Companies To Work For In India will be publicly released.

Rare Treasure from the maestros of music

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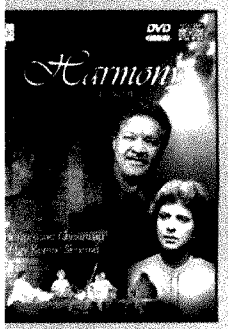

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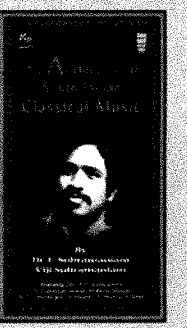

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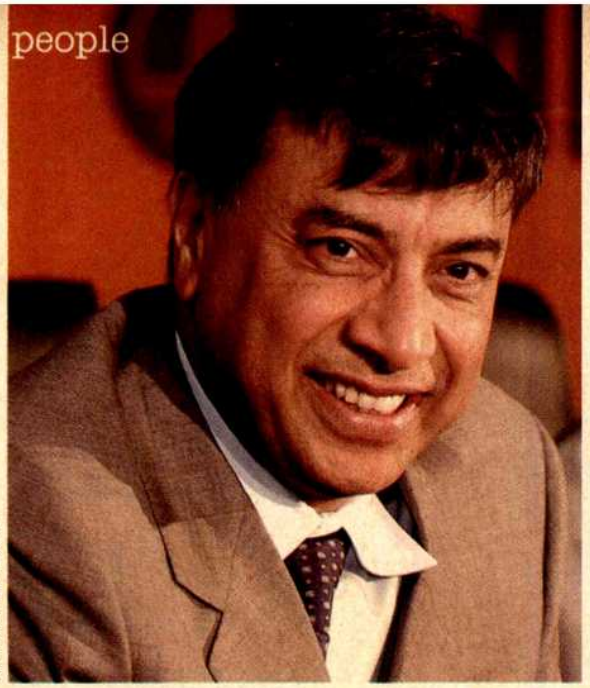


SAPTARSHI BISWAS

Living It Up

BY NOW, THE RICHEST INDIAN, **LAKSHMI NIWAS MITTAL**, has proved beyond doubt that he likes everything king size, be it at work or play. So, while his recent Arcelor deal makes him the world's undisputed steel czar, his £57-million (Rs 484.5-crore) Kensington Garden 'pad', with 12 bedrooms and space to park 20 cars, and now a $200-million (Rs 920-crore) yacht ordered from a German shipbuilder, should reinforce his position as the new 'cool' global tycoon. To be sure, it's not the first time the 56-year-old Mittal is in the market for a luxury yacht. (He already owns one, which is often used by son Aditya.) Last year, he was reportedly shown Larry Ellison's *Rising Sun*, but didn't bite. Not surprising at all. Did they really expect Mittal to buy a pre-owned yacht? Mittal's new toy isn't due for delivery until 2009, but the global glam-set must be waiting with bated breath for an invitation for a ride.

Keeping Patience

DON'T TELL THIS TO L.N. MITTAL, BUT BEING BIG DOESN'T always help. Just ask **AKHIL GUPTA** (left) and **RAJEEV GUPTA**, India heads, respectively, of private equity giants Blackstone and Carlyle. More than 13 months after their India debut, the firms are still waiting to do a deal that matches their size. There's buzz about Blackstone's Gupta weighing a $50-million investment in a Pune-based pharma company, but the man won't comment. "We considered 95 per cent of the deals that happened in India past year, but found none that would fulfil our criteria," says the 53-year-old, former Reliance Industries executive. Meanwhile, Carlyle's Gupta, 48, who has done a $20-million deal (Claris Lifesciences), has more money coming into his account thanks to Carlyle's new $668-million Asia fund that will also invest in India. "Valuations were quite prohibitive in the last couple of months, but we expect the scenario to improve now," says the former DSP Merrill dealmaker. Frustrated maybe, hopeless not.

SOUMIK KAR

Thanks So Much, Gopi

THIS WAS MEANT TO BE A HI-PROFILE DEALMAKER'S SHOT AT BUILDING A TIDY NEST egg for himself. But **MUNESH KHANNA**, 44, will have to wait for another day. His widely reported shift from NM Rothschild India to Enam Financial Consultants has ended after just an eight-month run. Khanna, who spent 17 long years at Arthur Andersen, says he's leaving for "personal reasons". "Certain events in my life made me do a rethink on whether I was doing what I really wanted to do with my time," he says. "I just wanted to clear the canvas and start all over again." Nobody's yet saying that Khanna is taking the fall for G.R. Gopinath-owned Air Deccan's poor IPO (initial public offering), which was supposed to be the suave dealmaker's first big assignment at Enam. But it does seem the fickle stock market has claimed a (good) head.

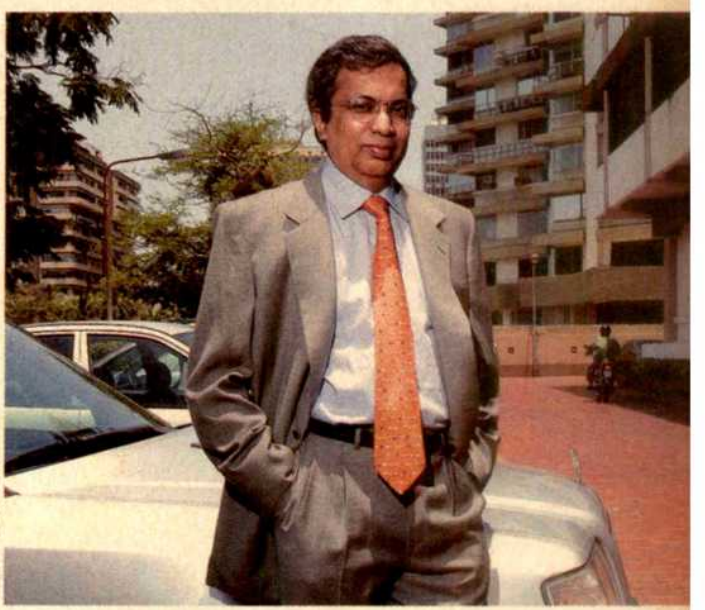
VIVAN MEHRA

The Next Big Thing

DAN SANDHU WAS TRAVELLING ABROAD WHEN HE GOT A call from a worried friend enquiring if his Gurgaon-based BPO, Vertex, was up for sale. As it turned out, that was a false alarm, but the man who set up the British BPO from scratch four years ago is moving on. Sandhu, 36, has become the non-Executive Chairman of Vertex and "would be looking at business interests outside the company". And for the time being he's staying put in India and not going back home to the UK. Exceptionally active in the local tech circuit for an expat, Sandhu has his hands full. Apart from continuing to mentor the young team at Vertex, he's part of the Band of Angels, a group of successful entrepreneurs and professionals who have taken it upon themselves to help others. "I may put in my own money in some ventures too," he says. So, clearly, this is no retirement.

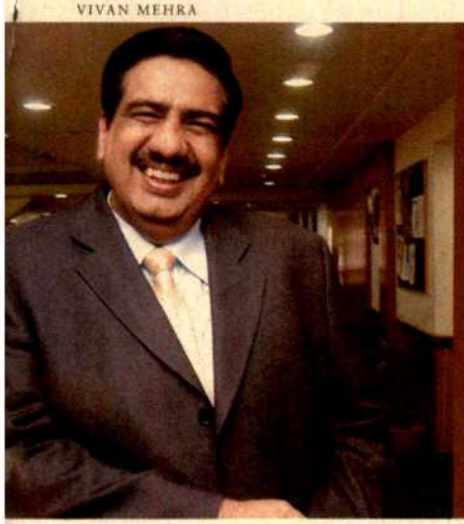
Pressure Tactics

PURNENDU CHATTERJEE'S YEAR-OLD FEUD WITH THE West Bengal government over Haldia Petrochemicals continues to take twists and turns. The NRI Chatterjee, who owns 59.9 per cent in Haldia, has now accused the state government of not getting approval from the company's board for transfer of its 7.33 per cent stake to Indian Oil Corporation (IOC), and transferring the shares before even encashing the buyer's cheque of Rs 150 crore. Simultaneously, Chatterjee, 53, has kept Track II diplomacy open and is still looking for an amicable solution. This, in turn, will give him management control and possibly a second shot at Basell, a company he almost acquired along with his friend and Russian oil baron, Leonard Blavatnik.



UMESH GOSWAMI

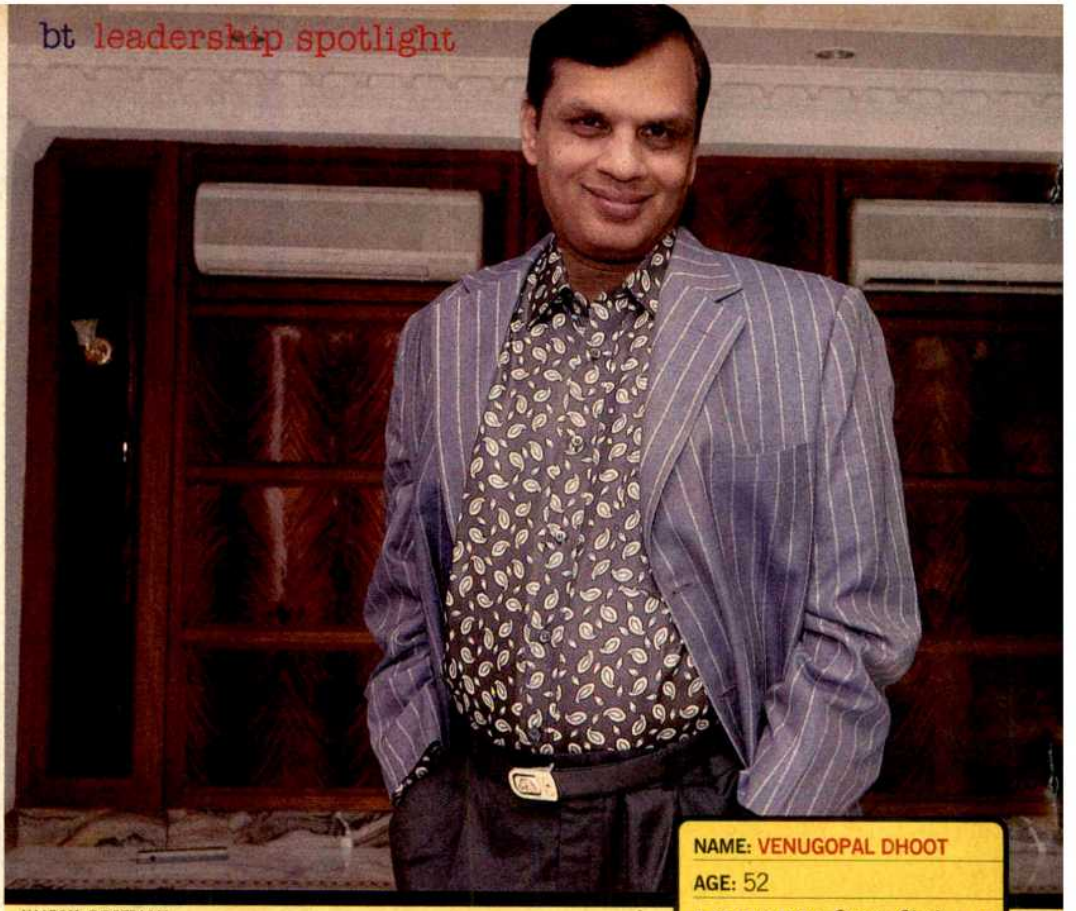
VIVAN MEHRA



Now He's Talking

A LITTLE OVER A YEAR AFTER HE TOOK OVER AS THE PRESIDENT AT HCL Technologies, **VINEET NAYAR**, 45, seems to have got the IT company primed for big outsourcing deals. According to reports, HCL has bagged a 10-year, $550-600-million (Rs 2,530-2,760-crore) deal from Skandia, a UK-based insurance company acquired late last year by South African giant Old Mutual. Apparently, TCS was in the running too, but HCL Tech managed to bag what is easily the biggest outsourcing deal so far in India. "HCL has adopted and articulated a multi-service, multi-million dollar client engagement strategy. However, as a policy, we do not respond to speculations on client wins," was Nayar's official response. Translated into English that means he said he would get the big deals in, and he's getting them. Watch this man. ■

CONTRIBUTED BY AMAN MALIK, ARCHNA SHUKLA, SHIVANI LATH, AMIT MUKHERJEE, RITWIK MUKHERJEE AND R. SRIDHARAN



UMESH GOSWAMI

NAME: VENUGOPAL DHOOT
AGE: 52
DESIGNATION: Group Chairman
COMPANY: Videocon Group

Ambitious Globaliser

THE INDIAN MULTINATIONAL." THAT'S NOT JUST A TAG LINE FOR THE RS 14,000-CRORE Videocon Group's Venugopal Dhoot. It's an ambition that he is pursuing with a vengeance. In fact, he is already among the world's top 10 colour television manufacturers, but he's aiming higher—he wants his company to be among the world's top five. "Being global doesn't mean having a presence in x number of countries. Being global means reaching a critical scale and being counted among the big boys," says the man whose business interests range from consumer electronics to oil. And for the record, his business interests are spread across nine countries—Italy, Mexico, Oman, Poland, China, South Africa, Sudan, Jordan and, of course, India. His market share in the global CPT business: 30 per cent. Then, he also has interests in the oil sector and a presence in Australia, Japan and South Korea.

He has adopted the acquisition route to fulfil his global ambitions. Videocon acquired five consumer electronics businesses in the past one year; including French electronics major Thomson SA's CPT and CPT glass business in Italy, China, Poland and Mexico for around Rs 1,700 crore and Swedish consumer electronics company Electrolux's loss-making Indian operations. And now, he is all set to snap up another one—South Korean chaebol Daewoo's consumer electronics business. The grapevine says Dhoot is close to winning the deal, but the man is not spilling the beans. "Our bid has been shortlisted. The final decision is likely to be announced early next month," he says, and then gives it away, saying: "With this deal, we will have a truly global footprint and access to the US and European markets." His growth philosophy is simple, but effective. "We will continue to acquire small and loss-making ventures outside India and turn them around," says the man, who, with his brothers, parleyed his father's small sugar mill in Gangapur, Maharashtra, into the global empire it is now.

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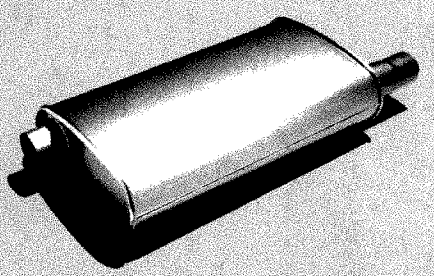

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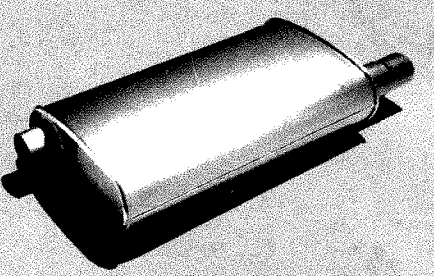

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August 13, 2006

A Makeover for Mumbai

The city of 16 million people, ravaged by floods and blasts, needs an overhaul if it is to become a global metropolis. Here's how to do it.

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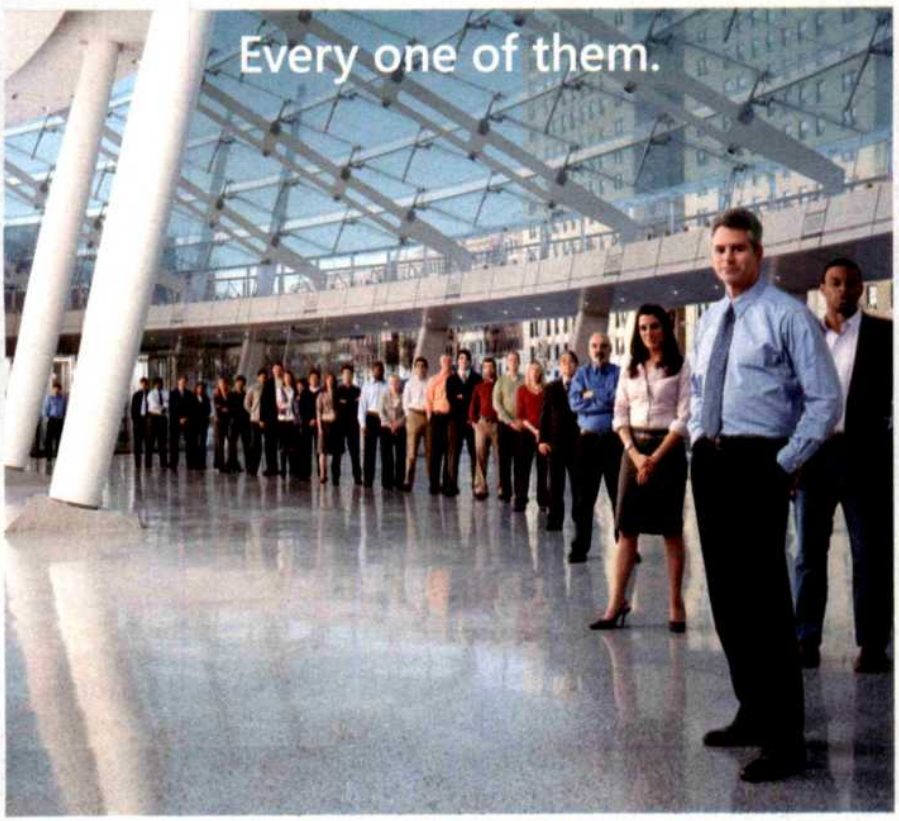

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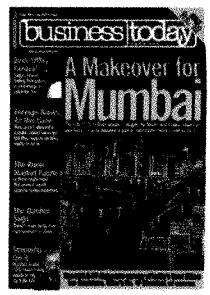
From The Editor

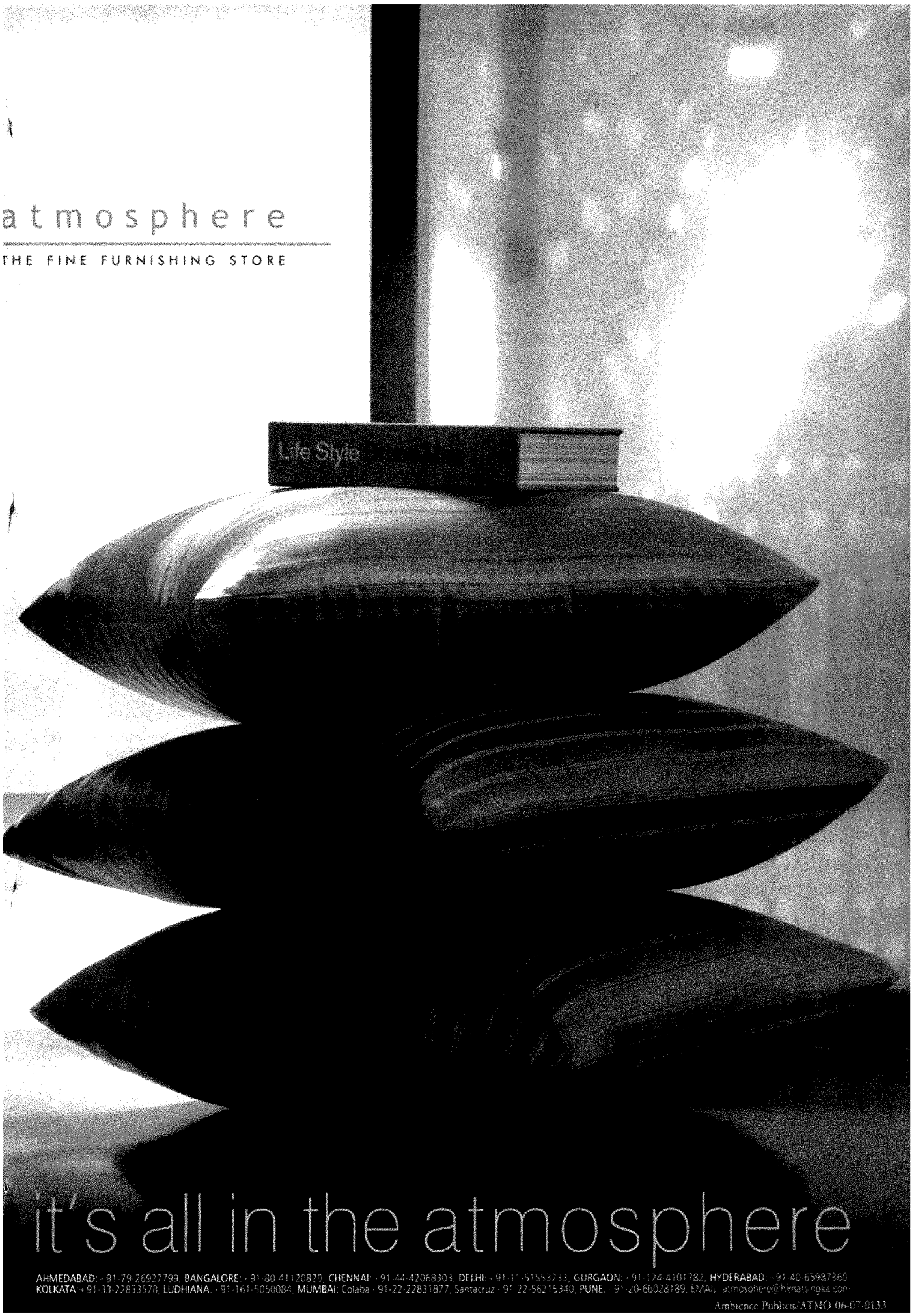
COMING IN THE WAKE OF CRIPPLING MUMBAI RAINS and the tragic bombings, it might seem a little odd that we've called Mumbai the best city for business. So, let me clarify: We didn't, but you did. That is, the 1,584 respondents that the *BT*-Synovate study polled to rank our top cities in terms of their business attractiveness. That said, let me also confess: Although this is my seventh year in Delhi, I am still a bit of a Mumbaikar. I just love that city. Don't get me wrong, Delhi. Mumbai is where I spent a large part of my working life; a place where I learnt whatever I know about business, and the place where I made some of my best friends. But, sadly, the Mumbai of today is quite different from the one I knew so intimately back in the 90s. It's vastly more crowded—a city of 16 million, as we've mentioned on the cover—and stressed. Therefore, when it came to deciding how to approach the cover story on the #1 city, the choice seemed obvious to me. Instead of extolling the average Mumbaikar's courage and patience—a virtue that I think has been a convenient excuse for not doing anything about the city's myriad problems—we decided to look at what Mumbai could be. Our cover story, reported by Special Correspondent Shivani Lath and Assistant Editor Krishna Gopalan, does just that. An ambitious city development plan, prepared as part of the government of India's laudable Jawaharlal Nehru National Urban Renewal Mission (JNNURM), promises metro rail, trans-harbour links, freeways, and slum redevelopment, besides better sewage disposal and storm water drainage systems. According to Maharashtra Chief Minister Vilasrao Deshmukh, whom we spoke with for the story, the plan is to invest Rs 2,30,000 crore over the next 15 years. "Infrastructure is right on top of my priority list," he assured us.



It's high time we did something about urban infrastructure. Although our cities have been growing for several decades now, the investment in their infrastructure hasn't kept pace. As a result, almost half of Mumbai and Delhi lives in slums and works in the informal economy. And let us not for a moment fool ourselves that we can get by not doing anything about our cities and towns. These are places where 30 per cent of India lives, 55 per cent of the country's GDP comes from, and where the foreign investor's dollar goes. When rains bring Mumbai or Bangalore to a halt, there's a real price the economy pays. India has woken up to this reality very late. Therefore, it must work doubly hard to keep these engines of economy humming.

Sanjoy Narayan

SANJOY NARAYAN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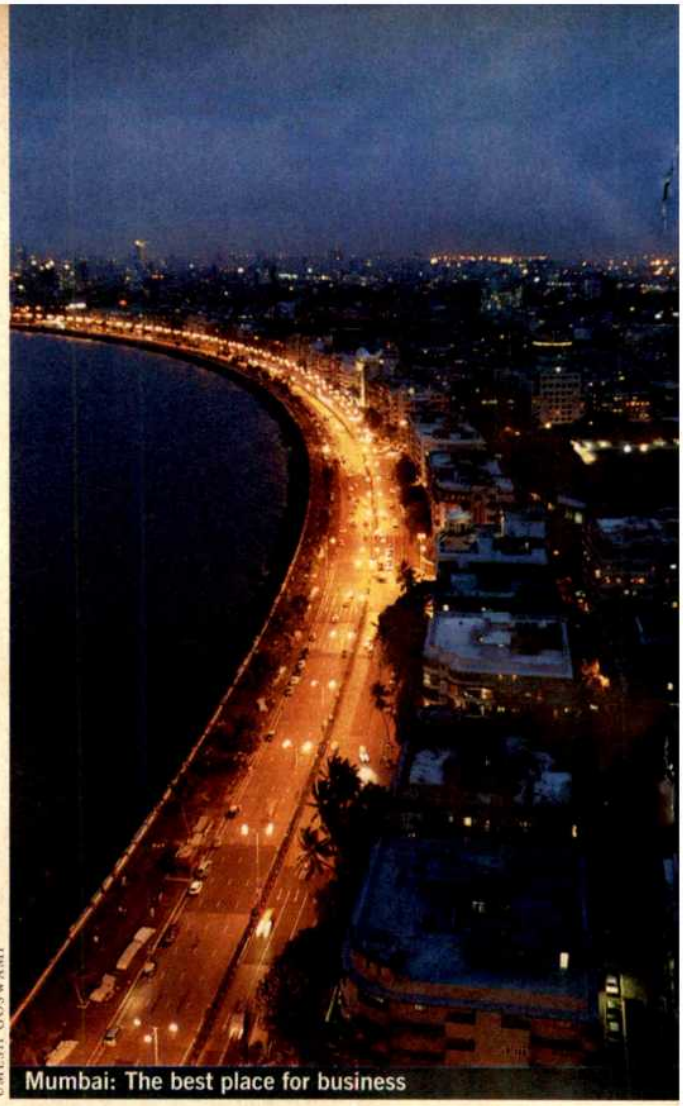

UMESH GOSWAMI

Mumbai: The best place for business

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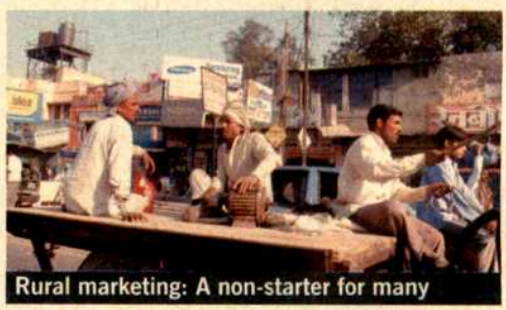

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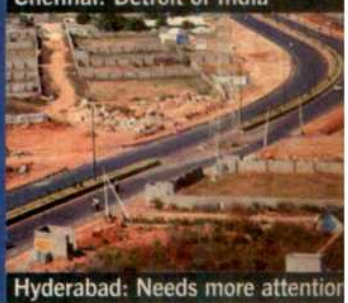
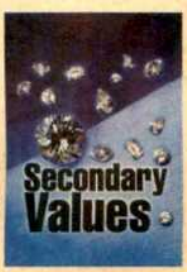

Hyderabad: Needs more attentior



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Web Exclusives

The Middle Path

THE INDIAN MIDDLE CLASS IS SEEN AS the driving force behind the retail revolution in the country as well as its future economic growth. Incidentally, this group, along with its counterparts in China, Russia, Brazil and other emerging economies, has outscored a host of who's who in the global arena in a list of Top 50 People Who Matter published by *Fortune*. A look at how the middle class has evolved over time.

Sailing Season

THERE'S NO TWO WAYS ABOUT IT; India needs better port infrastructure. A beginnning has been made on this front—more than Rs 55,000 crore is expected to be pumped into the sector. There are other problems as well: the growth contribution of the western ports is more than 68 per cent compared to 9 per cent in the case of the eastern ports. The sector now has the opportunity of putting its ship in order, correcting regional imbalances and starting afresh on an even keel.

Parade Of Professionals

A WORLD TRADE ORGANIZATION committee has come up with suggestions to make licensing and qualification requirements and procedures more transparent and less restrictive for professionals. The push for mutual recognition of degrees wherever possible is good news for Indian professionals seeking work opportunities in the US and other developed nations. An analysis of the obstacles in the path of Indian professionals and the way forward.

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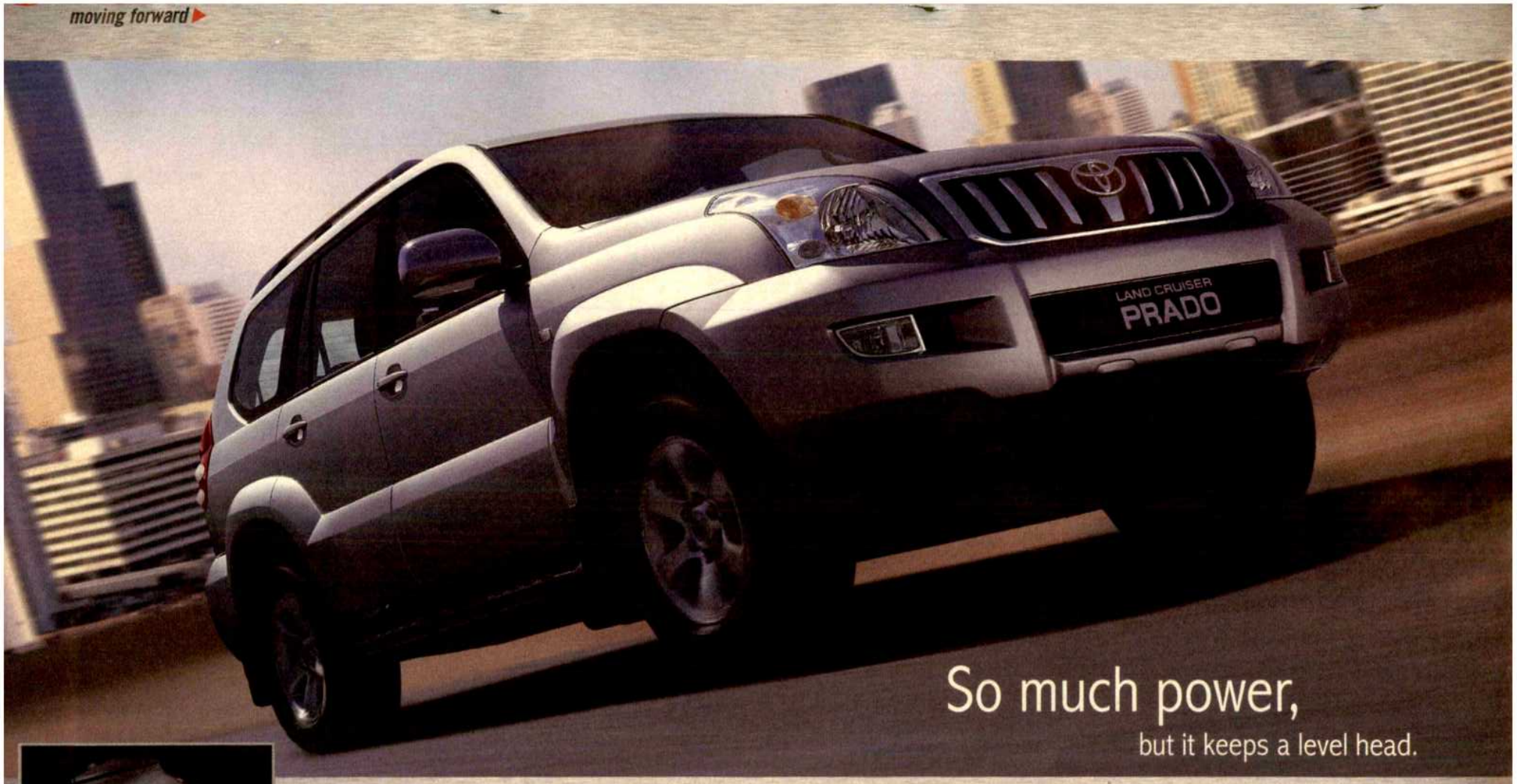
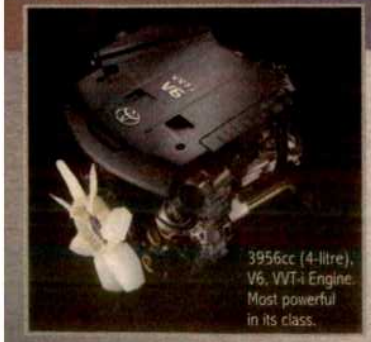


So much power,
but it keeps a level head.



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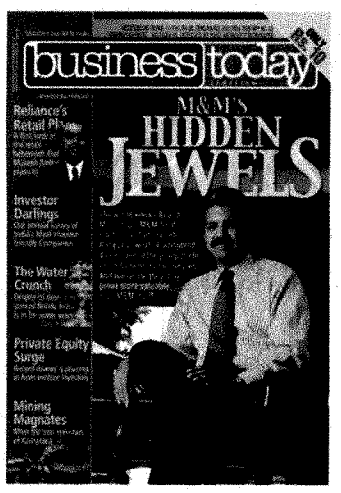

One Man Show

YOUR COVER STORY *M&M'S HIDDEN Jewels* (BT, July 30, 2006) took many of us by surprise. Mahindra & Mahindra is synonymous with tractors and utility vehicles. Little did one know that a whopping 43 per cent of the group's profits come from other businesses, with IT leading the way. Anand Mahindra seems to have transformed the company, and that also single-handedly. Hats off to his phenomenal leadership skills—M&M is reaping the fruits of his labour.

SUMAN RAI, *through e-mail*

Up, Up, & Up

UPON READING THE COVER STORY, *M&M's Hidden Jewels* (BT, July 30, 2006), one thing has become quite clear: even small business entities can make it to the big league. What's more, they can even pose some serious competition to existing biggies. Mahindra & Mahindra (M&M) will continue to climb the ladder of success, with some help from financial wizards like Bharat Doshi.

R. UMA, *through e-mail*

It's All About Diversification

YOUR COVER STORY, *M&M'S HIDDEN Jewels* (BT, July 30, 2006), drives home the point that slow and steady diversification of businesses can prove to be worth the effort. The Mahindras are now exploring virtually every available space, while sitting comfortably on their tractor business. Infosys, Wipro, and the like, better watch out!

VITHUR, *through e-mail*

Water Woes

THE STORY *RUNNING OUT OF WATER* (BT, July 30, 2006) made for a thought-provoking reading. Things seem to be spiralling out of control as far as water management goes. Remember the high electricity bills? Well, water may follow suit. The government must get its act together before it is too late. Just like the previous NDA coalition started the Golden Quadrilateral and the East-West corridor projects, this government should also consider interlinking of rivers and also appoint a National Water Management Authority. It's time for some tough decisions.

G. VENKATARAMAN, *through e-mail*

Crisis Situation

AS IS EVIDENT FROM YOUR STORY *Running Out Of Water* (BT, July 30, 2006), ground water levels in many areas have gone down. The situation is particularly serious in rural areas where ground water is used for irrigation and other purposes. It is virtually impossible to provide pipe water to all the rural areas, where people have to walk miles and miles and wait for hours for their daily supply of fresh water. Most perennial springs, the source of almost all river water, are on the verge of extinction. So, what is urgently needed is a systematic localised water conservation. The time has come to nationalise inter-state rivers. Water has become such a critical issue that it should be given due weightage in the Constitution.

DIXIT VINOD C., *through e-mail*

Corrections

It was Carlyle's growth fund and not the buyout fund headed by Rajeev Gupta that invested in Claris Lifesciences (Keeping Patience, BT People, *July 30).*

In Deal Watch (BT, *July 30) pertaining to the acquisition of Sembcorp Engineers and Constructors, Singapore, by Punj Lloyd, the industry domain has been wrongly mentioned as automotives. It should have been engineering and construction.*

In B-schools By The Numbers (BT, *July 16), the colour code for brand equity index for 2005 and 2006 have been inadvertently interchanged. Also, Alliance Business Academy-Bangalore has been incorrectly mentioned as Asia Business Academy.*
The errors are regretted.

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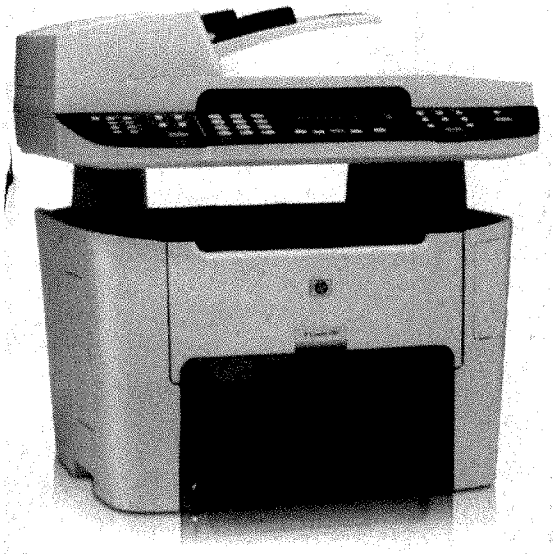

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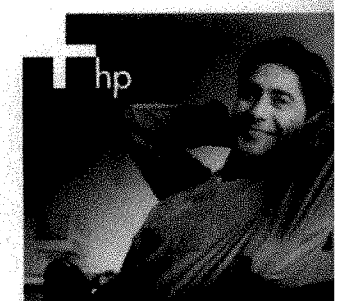

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Virtual Cities

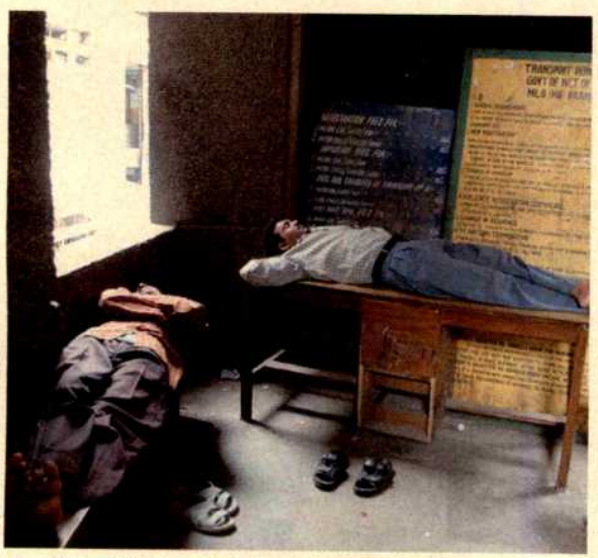
VIVAN MEHRA

Tech dollars: A slow trickle to the bottom

THE MOST DEFINING FEATURE OF THE PAST TWO DECADES has been the emergence of information technology networks. Unlike in the pre-internet era, physical boundaries of nations have no meaning. Fat pipes of optic fibre have allowed work to be shipped from developed—hence, higher wage—countries such as the US to low-income countries such as India. That has allowed a handful of Indian cities including Bangalore, Delhi, Mumbai, Chennai, Hyderabad and Pune to become a part of the virtual global economy. With the result, there are several interesting, and alarming, changes taking place in the city economy. For one, some of them—Bangalore, for instance—do more business with cities outside the country than they do with those inside. That's the good part. The bad part: The cities are becoming neither equally nor equitably prosperous. Wages of the knowledge workers are soaring and will tend to creep up closer to those of the workers they have displaced abroad, before the market corrects itself. In contrast, lives of the people engaged in the informal economy are not improving at the same rate. That, then, is the biggest challenge our cities face.

To be sure, inequalities in cities have always existed. When the Industrial Revolution first turned cities into what they are—engines of their economies—there were always the rich industrialists and the poor workers. The rich lived in the centre of the city, while the poor lived on the fringes, in squalid conditions. Labour reforms and worker unions have since managed to get a better deal for the organised worker, but the worker in the informal economy still lives hand-to-mouth, with no medical or pension benefits. And in cities such as Mumbai and Delhi, nearly half of the workers earn their living as hawkers, road-side vendors, or mechanics.

The cities cannot afford to let the divide worsen. The social implications are far too grave to turn a blind eye to it. City development, therefore, must be holistic. It's fine to say that municipalities should introduce realistic user charges, but when that means millions of poor will have no access to piped water, one needs to rethink the conventional economic wisdom. Similarly, while removing slums may be necessary for planned development, the relocation should be taken up as an opportunity to improve the living conditions of the dislocated. The municipalities need to do something else: They need to become more efficient. At present, revenue collections (largely property tax) at the big Indian cities is way below the potential. Most cities can simply double or treble their income by reforming and updating their governance systems. They can then plough this money into infrastructure that is accessible to all. Then, the virtual cities would have become virtuous cities.



ARIJIT SEN

Pay time: Talent, only talent, should count

Populist Ploy

THE GOVERNMENT'S RITUAL OF APPOINTING A PAY commission every decade to revise the compensation packages for its employees is turning out to be an exercise in populism. And there is no reason to believe that the recently constituted Sixth Pay Commission will be any different.

Consider. The Centre decided against swallowing the bitter medicine suggested by the Fifth Pay Commission—paring employee strength by 30 per cent over a decade. It, however, increased its salary bill by around Rs 17,000 crore. The central and state governments are still contending with this act of fiscal profligacy. Furthermore, this move has fattened those already earning more than what they deserve—the lower rung of the government departments, including those interfacing with the public. Meanwhile, the lot

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FOCUS

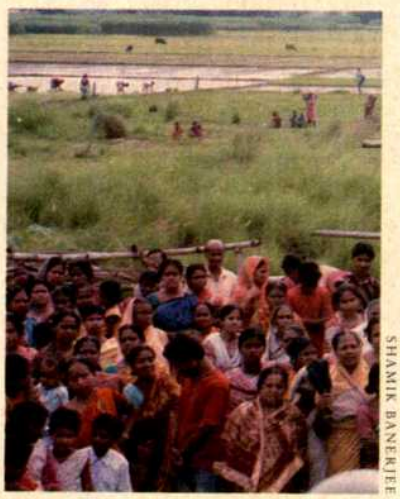
that shapes government policies, negotiates the industry's interests in global trade agreements, or oversees tax compliance is ill-compensated. This is the larger danger. For example, the competitiveness of Indian industry can be frittered away at the hands of incompetent bureaucrats who are not versed in the intricacies of world trade. Similarly, improving the tax-GDP ratio requires officials endowed with special skills; else the government will find it difficult to cut taxes and ensure higher revenues and greater compliance.

Reforms in the country have led to lesser regulation in sectors where competition is adequate. To that extent, government intervention has reduced. However, in sectors where this has not happened, regulatory risk (read regulators) has replaced government risk. These regulators, unfortunately, are staffed by retired bureaucrats, either because the salary is capped to that earned by the seniormost bureaucrats in the department, the secretary, or because the selection committee has a bias for its own kind. In the larger picture, what finally cuts is talent, and the ability to attract it; issues like manpower count far less (the percentage of government employees to the total population in India is far less than that in some of the developed countries). Thus, fears of a bloated bureaucracy are less worrisome than that of perpetuating an inefficient one.

There is another fundamental flaw in the government's approach to compensating its employees. It divorces compensation from both the work profile and the skills required for the job. In effect, lateral entry from the private sector, something that could improve the quality of governance, is near absent. The new pay commission, then, would do well to intelligently devise compensation structures that attract talent and are performance oriented.

Go Straight To The People

ONE HAS TO HAND IT TO THE Marxists; they don't do things by halves. They embarked on land reforms three decades ago when other, mostly Congress-ruled, states were paying only lip service to it and sealed their grip on power in West Bengal. Now, when the central government and many states are scratching their heads over how to package and sell economic reforms to the electorate, the West Bengal government has, unexpectedly, come up with what looks like a winning formula—instead of a top down only approach, it has opted for a judicious mix of top-down and bottom-up strategy. Resistance to change is inherent in the opposition to reforms. No elite anywhere in the world has ever given up its privileges without a fight. So, when the West Bengal government announced ambitious plans of acquiring agricultural land for setting up industries, the decision was met with howls of protests from affected farmers and their political backers. Chief Minister Buddhadeb Bhattacharjee's ambitious Reforms 2.0 was threatening precisely those sections that had benefited most from the Left Front's Reforms 1.0 *aka* Operation Barga (under which hundreds of thousands of acres of vested land had been distributed to landless agricultural labourers and marginal farmers).



SHAMIK BANERJEE

Singur farmers: Red and reformed

Instead of treating the simmering discontent as a law and order problem, the West Bengal government co-opted the CPI(M)'s formidable grassroots network into the scheme. The block-level administration would play only an enabling role; the crucial task of convincing farmers to part with their land was left to influential local party leaders. Result: farmers in Singur, where the Tatas are planning to set up their Rs 1 lakh car factory, have already offered 500 acres of land for acquisition. Yes, pockets of resistance—mostly from unregistered share croppers and those who don't have clear title deeds—remain and Opposition leaders are fanning these flames (see *The Battle For Land, Page 156*), but given the CPI(M)'s stranglehold over the grassroots in the state, it does seem likely that the Bhattacharjee administration will succeed in pushing its agenda through.

There's an important lesson in this for Messrs Singh, Chidambaram, Ahluwalia and company. Bhattacharjee has won support for his vision by going over the heads of power brokers and vested interests and marketing his plans directly to the people. It may be good idea if the central and state governments stopped talking to Bhattacharjee's party colleagues in Delhi and sold their ideas straight to the people. ■

Trends

IT's Shining

Indian companies have (er, India has) increased their (its) share of the global outsourcing pie.

RAHUL SACHITANAND

SAPTARSHI BISWAS

Premier location: Yes, India has become one for offshore IT services

GLOBAL IT GIANTS LIKE IBM, EDS AND ACCENTURE SEEM TO BE LOSING their vice-like grip over large transactions in the international IT outsourcing market. And India and Indian companies are beginning to make a noticeable mark in this space, though the absolute figures are still comparatively small. According to statistics from TPI, the Woodlands, Texas-based global sourcing advisory firm, India-based vendors accounted for 5 per cent of all global outsourcing deals in the first half of 2006, up from 1 per cent in 2004. In absolute terms, they won 11 deals worth $1.74 billion (Rs 8,004 crore). This means India-based companies are also winning bigger deals—the average deal size has risen from $128 million (Rs 576 crore then) in 2005 to $159 million (Rs 731.4 crore) this year. More significantly, the share of the global giants tumbled from 71 per cent to 54 per cent between 2004 and 2006. But these stats, as is their wont, hide much more than they reveal. "Though the share of India has increased over the last few years, 73 per cent of these deals were awarded to the local arms of MNCs," says Siddarth Pai, a partner at TPI. This indicates that homegrown Indian companies have gained

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No. G. Krishnan, CEO & ED, TV Today Network
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COMPILED BY AMAN MALIK

LARGEST GLOBAL DEALS IN 2006

VENDOR	SIZE*	DURATION**	PRINCIPAL
EDS	1.5	1.5	Undisclosed manufacturing firm
Fidelity	1.5	1.5	Brazilian banking firm
CSC	1.5	5	BAE Systems
EDS	1.5	7	Kraft
IBM	1	10	The Gap

*Figures in $ billion **In years Source: TPI Research

comparatively less than what the headline figures seem to suggest.

While acknowledging the growth of India and Indian vendors in the global IT market, Steve Heidt, Vice President, EDS, says global vendors will continue to bag most large contracts in the foreseeable future. "Companies such as ourselves have a much larger global presence (than Indian companies) and, therefore, the ability to win and execute large, potentially multi-billion dollar, deals," he says.

"Nevertheless, large Indian vendors have achieved significant growth and are beginning to win larger and more varied deals," counters Pai. They are also competing for a much larger slice of the global outsourcing pie than before. TPI data shows that the value of contracts that Indian companies are vying for is 284 per cent higher than last year. "India is today established as the premier location to undertake offshore IT services and we believe we are ideally positioned to leverage the country's cost and quality merits," says Kris Gopalakrishnan, Joint Managing Director, President & COO of Infosys Technologies.

Despite the hype over IT outsourcing, it's actually the business process outsourcing (BPO) sector that is growing faster in the first half of 2006. According to the TPI report, a record 92 contracts (compared to 58 last year) valued at $11 billion (Rs 50,600 crore) were signed globally in the first six months of 2006, an increase of 20 per cent compared to the corresponding period of last year. Financial services leads the way with 27 contracts valued at over $4 billion (Rs 18,400 crore) and accounts for almost 40 per cent of the market. "The BPO market is beginning to mature," says S. Nagarajan, COO of 24x7 Customer, a Bangalore-based operator.

LARGEST DEALS BY INDIAN VENDORS IN 2006

VENDOR	SIZE*	DURATION**	PRINCIPAL
TCS	Over 250	N.A.	Citigroup
HCL	250	5	DSG International
i-flex	200	N.A.	Bank of America
Satyam	100	5	Nissan North America
Wipro	100	5	Cardinal Health

*Figures in $ million **In years N.A.: Not available Source: TPI Research

It is difficult to pinpoint the exact share of Indian vendors in BPO deals, but Pai, who tracks deals over $25 million (Rs 117.5 crore), says they now have a very noticeable presence in this market. "We are winning big global contracts, and are ramping up our technological capabilities," says Wipro Technologies' Chief Strategy Officer Sudip Nandy.

Despite the recent high-profile withdrawal of companies such as Apple and UK-based utility Powergen from India, TPI believes that there is little evidence to suggest that clients in the West are dissatisfied with Indian vendors. "Our data predicts further growth in the value of work being moved offshore," says Pai.

Q&A

Education Quality Is An Issue

VIVEK WADHWA, 49, IS ADJUNCT *Professor at the Pratt School of Engineering at Duke University. Prior to this, he ran two hot start-ups, Seer Technologies and Relativity Technologies. Wadhwa tells* BT's **Rahul Sachitanand** *that India is graduating fewer quality engineers than is required to stay competitive in the global market. Excerpts:*

You recently said the US produces more engineers than India and China. Is this correct?

Our report said a total of 134,406 engineers graduated in the US last year, 112,000 in India and 351,537 in China. A vast majority of Indian engineering graduates are in IT. The difference: in the US, about half are in traditional engineering.

What are the long-term repercussions of this?

India is graduating fewer engineers than it will need for its long-term economic development. The vast majority of them are from colleges that rely on rote learning and their curriculum is 20-30 years out of date.

Why is this relevant?

The graduation rate of engineers is a measure of global competitiveness.

What should the government do to solve this problem?

The best thing the government can do is to leave the universities alone and give them the funding and freedom to innovate and modernise.

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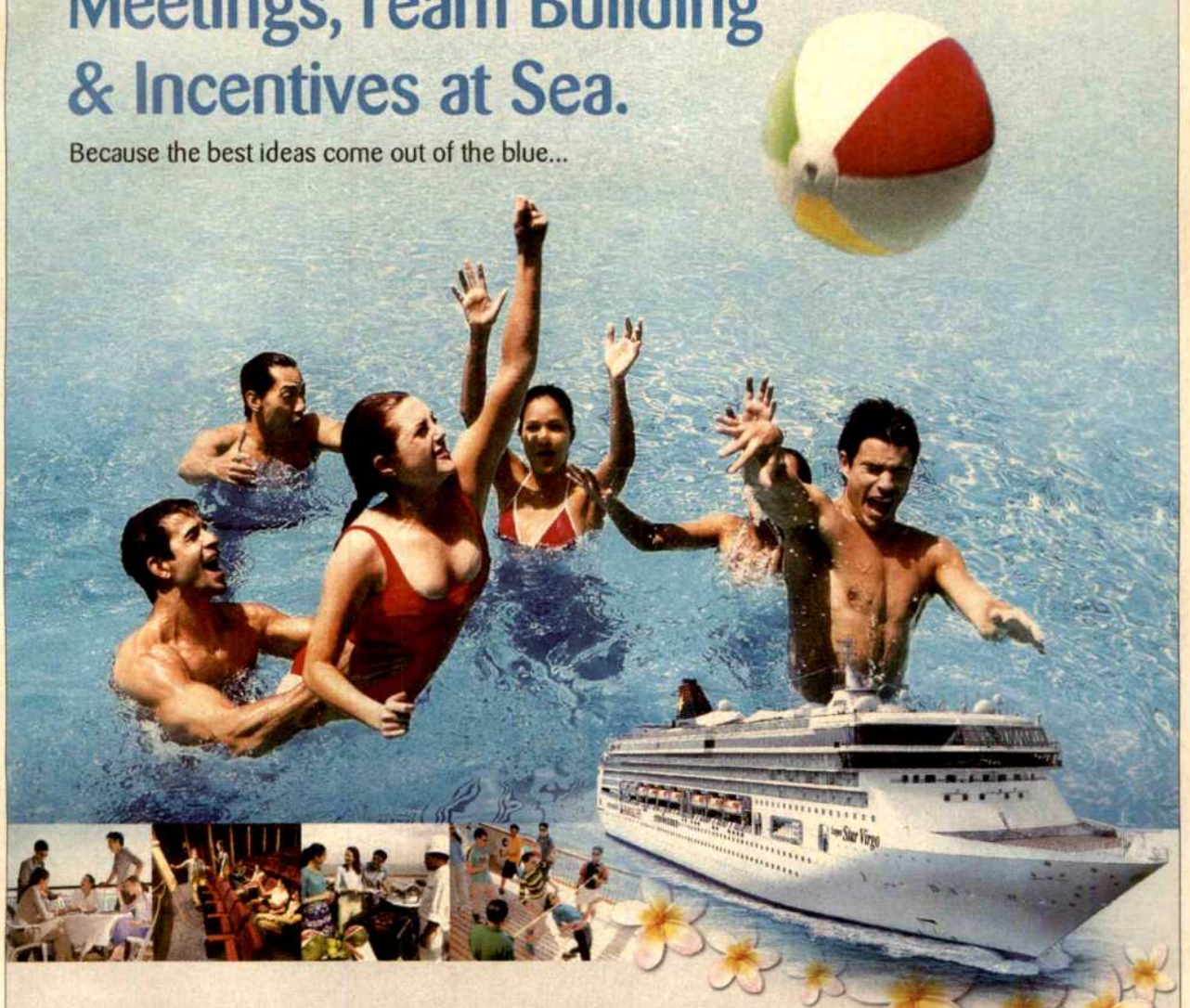

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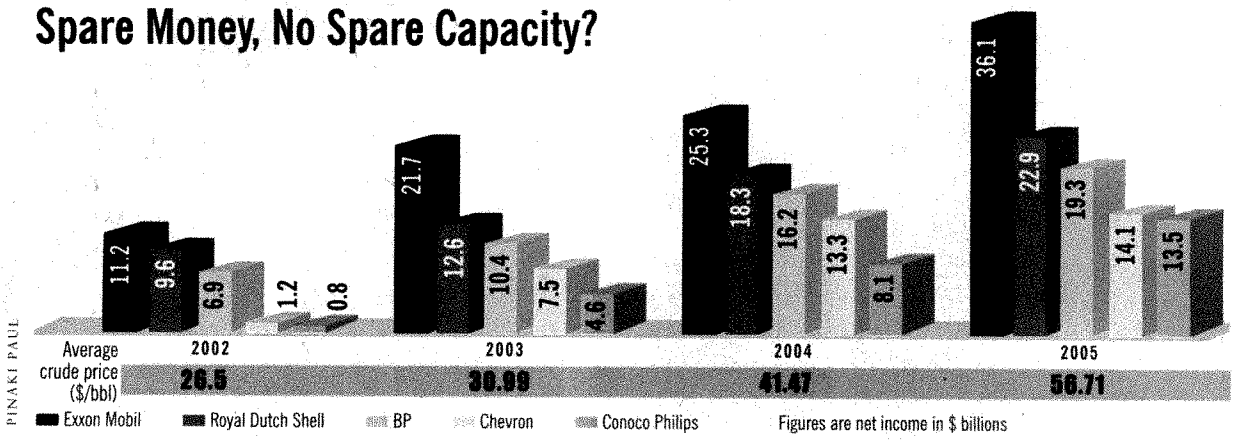
What Goes Up, Stays Up

A combination of economic and political factors is driving global crude prices up.

Spare Money, No Spare Capacity?



PINAKI PAUL

WITH THE WAR CLOUDS over West Asia unlikely to drift away in the near future, crude oil's march towards the $100 (Rs 4,700)-mark is inevitable. With it, your purse will get lighter every time you refuel your car. But, it is not the first time that tensions in West Asia have escalated—the Gulf wars and the Iran-Iraq war in the past did not create such a riot in the oil markets. So, why is it different this time? Evidently, there is a combination of factors ranging from the economic to the political behind this.

The Economic Reasons

With the top five international oil companies controlling 15 per cent of global oil output (see *Spare Money, No Spare Capacity?*), one would have assumed that the corporates would have responded to the rising oil prices and invested at a furious pace to discover more oil. That, however, did not happen entirely; all the five majors used a good part of the proceeds from high oil prices to liberally reward their shareholders or buy back equity from the market. In fact, at a global level, the reserve accretion ratio, a measure of the new oil discovered to that lifted from below the earth's surface, has begun to very slowly slide.

National oil companies, which account for 34 per cent of global production, have little incentive to raise production, as the gains from increased production will be less than that from maintaining *status quo*, given the year-on-year rise in global crude oil prices (see *Spare Money...*).

On the demand front, India and China need not feel guilty. Contrary to popular opinion, it is the US, and not the emerging Asian giants, that is registering the highest incremental growth in oil demand. Compared to 2003 levels, the US has witnessed a runaway increase in demand of 55.7 million tonnes, compared to 38.8 million tonnes in the case of China and 5.8 million tonnes in India.

The Political Reasons

Oil is found predominantly in less-developed countries and, consequently, resource nationalism is gathering steam on the back of the high profitability of private sector exploration companies. A fallout of this development is that some of the countries are hammering out better financial terms with the exploration firms. Hydrocarbon resource strength is also being used as a means to wield power in the neighbouring region. Example: earlier this year, Russia choked the gas pipeline to Ukraine. The ripple effect of this measure is a significant one—western Europe, which is largely served by Russian gas supplies, no longer believes it to be a secure connection, never mind that the erstwhile Soviet Union did not ever interrupt supplies even at the height of the Cold War.

Back home, at the gas station, the rational expectation to be lighter by around 40 paise per litre for every dollar rise in crude prices is repeatedly belied by the government's continued move to distort price signals at the altar of populism.

As a country importing over 70 per cent of its crude requirements, the global oil outlook heralds a resounding inference—the sooner we set our oil economy in order, the better it is. "We need to bring down the entry barriers in the domestic oil sector and also undertake price reforms," says T.N.R. Rao, a former petroleum secretary. It's time populism gave way to pragmatism.

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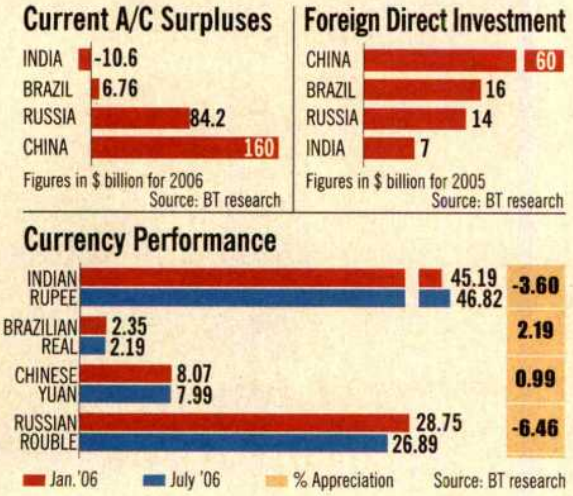
LIBRARY UNIVERSITY

Falling BRICs

India is trailing the other BRIC nations.



PINAKI PAUL

IN 2004, GOLDMAN SACHS' FAMOUS BRICS REPORT predicted that this century would belong to Brazil, Russia, India and China. Since then, India's balance sheet has some red marks to show to the authors of the report. The country's current account has moved from a surplus to a deficit position, fuelled by a widening trade gap. India is the only BRIC country running trade as well as current account deficits. P.K. Choudhury, Vice Chairman & CEO, ICRA, points to the positives—stable monetary growth, robust regulatory systems, high rate of savings and a higher than expected GDP growth. "India's real GDP growth rates were higher than projections made by the BRICs report," says Rajesh Mokashi, Executive Director, Care Ratings, adding that this may offset the negatives.

But, there are other worrying signs. Among the four BRIC nations, India received the lowest foreign direct investment inflows. What the country does receive are investments from foreign institutional investors, who are mostly short-term investors, leaving the rupee vulnerable. The figures tell the story. The Brazilian real and the Chinese yuan have both appreciated against the dollar. "The currencies of countries with higher growth rates tend to appreciate; the rupee, however, is charting a contrarian course," says Mokashi. India's foreign exchange reserves are also low compared to China and Russia. And oil breaching the $75 (Rs 3,525) a barrel mark can only weaken India's position in the BRIC pack.

ANAND ADHIKARI

Gag Bill Delayed

Government will discuss Broadcast Bill.

WILL THE "DRACONIAN' PROVISIONS OF THE proposed Broadcasting Services Regulatory Bill be watered down? It's too early to say, but the good news is that the government has agreed to discuss its provisions with the media industry. According to the Confederation of Indian Industry, Information and Broadcasting Secretary S.K. Arora has committed to circulate a concept note on the proposed Bill, "among industry members to elicit their views on the proposals". "Several executive decisions have been challenged in courts in the recent past and the government has been asked to show legislative sanction for its actions," Arora said, justifying the rationale behind the Bill.

Earlier, sections of the media, which had reportedly managed to get hold of copies of the draft Bill, had alleged that the original version had clauses ranging from the draconian to the anti-competitive. "The proposals were extremely restrictive and would have hampered the industry's growth," says a broadcast industry expert.

RAVI S. SAHANI

Dilemma: So, when will Das Munshi introduce the Bill?

Information and Broadcasting Minister Priya Ranjan Das Munshi, however, has repeatedly denied allegations that the Bill is a 1970s-style legislation to muzzle media freedom. When will it be introduced? Das Munshi has been quoted in the media as saying the Bill will not be introduced in the Monsoon Session of Parliament as "we have to involve all sections of the media" in the discussions on it. That means it will be delayed till at least the end of the year. Reacting to the government's decision, Naresh Chahal, Director (Finance), Indian Broadcasting Foundation, says: "We had made a representation before the government to involve the industry in the process of drafting new proposals. We welcome the government's move."

ARCHNA SHUKLA

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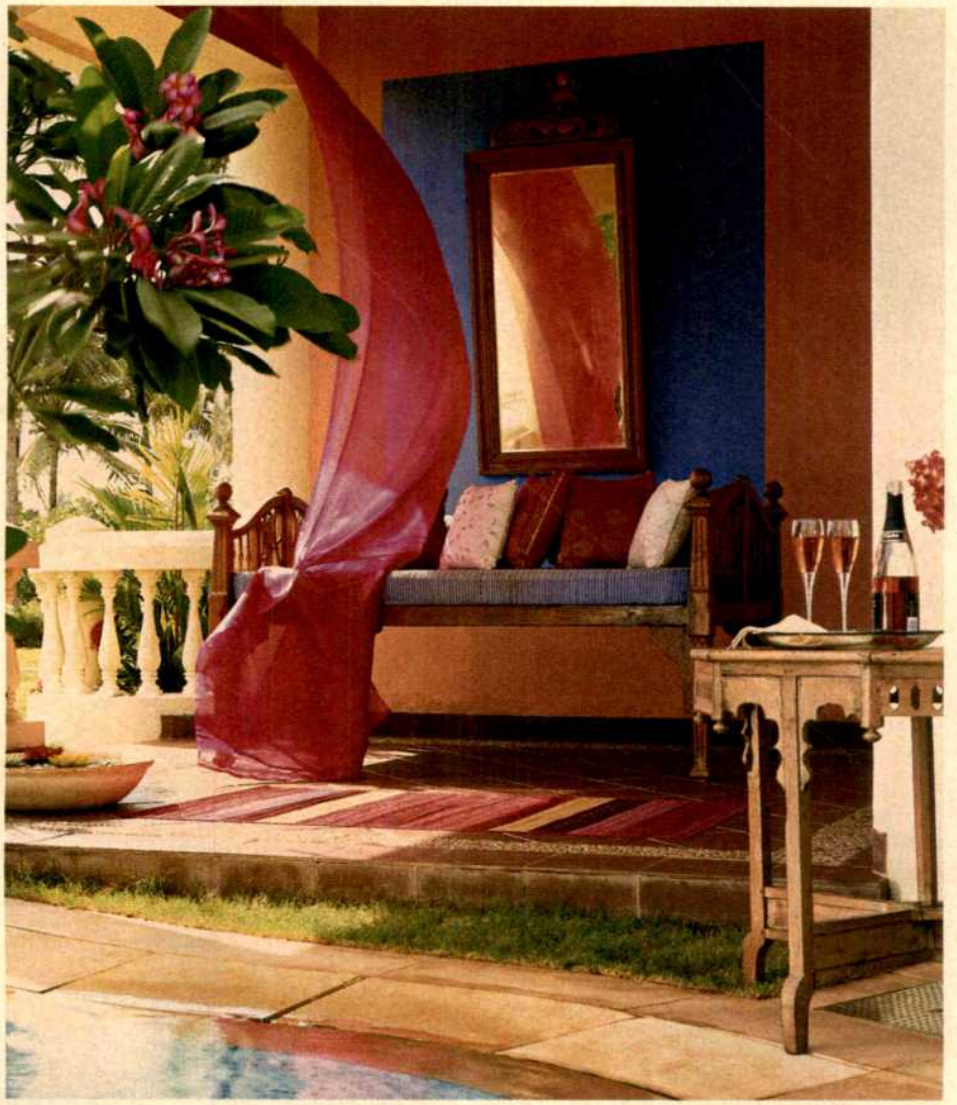

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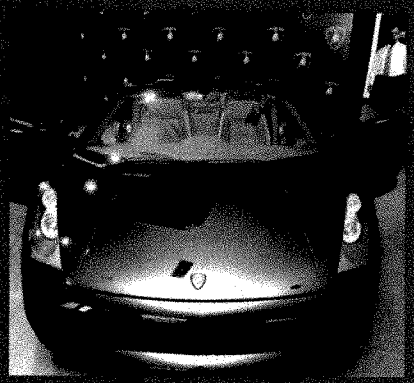
TOP OF MIND

Lamborghini Drives Into India



What are they: High performance Italian sports cars, known for their looks, power and price

Why is it in news: Lamborghini has launched its three latest cars—Gallardo, Spyder and Murcielago—in India. They cost Rs 1.65 crore, Rs 1.8 crore and Rs 3 crore, respectively

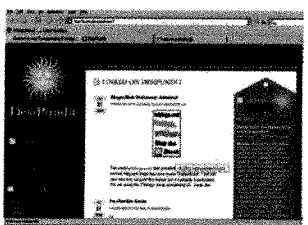
How many cars does it plan to sell in India: It has set itself a modest target of selling 10 cars this year. "We have already sold two cars and received booking orders for four others," says Stephen Winklemann, President and CEO, Automobili Lamborghini

What's their USP: These cars, with engine displacements of 4,000-6,000 cc, do not roll of conventional assembly lines. Rather, every component is put together manually by expert workers. That's why the company makes only about 2,000 cars a year; potential buyers also have to wait six months to a year before they can take delivery of new cars

What are its future plans: The company, which has only one dealer in Delhi—Exclusive Motors—plans to add another dealer in Mumbai in the next six months. "The streets are not in the best of condition and our cars are very low," says Winklemann, a little apologetically, explaining the low target

AMIT MUKHERJEE

DoT Plays Big Brother



What are they: They are web logs, popularly called blogs

Why are they in the news: The Department of Telecommunications (DoT) asked Internet Service Providers (ISPs) to block access to Blogspot (owned by Google), Wordpress, Typepad and 17 other popular blogging domains, because some bureaucrat believed that blogs were spreading misinformation in the aftermath of the terror attack in Mumbai

The reaction: The Indian blogging community went up in arms, terming the decision a brutal attack on democracy

And...: CNN and BBC flashed this news all over the world, indirectly equating India with countries like China and Saudi Arabia

Now what: DoT clarified that it had asked ISPs to block only a few websites which had posted derogatory remarks about Islam, but that a technical error led to ISPs blocking all the blogging sites. Access to all but 20 specific sites had been restored at the time of going to press

KUSHAN MITRA

ECONOMY WATCH

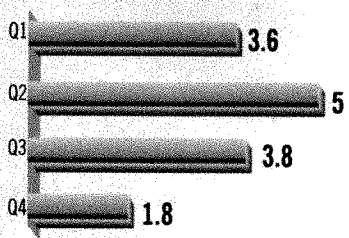
CURRENT ACCOUNT DEFICIT

Status: Up 96.48 per cent to $10.61 billion (Rs 48,806 crore) as on March 31, 2006*.

Impact: A rising current account deficit weakens the domestic currency as imports overshoot exports.

*Latest figure available.

Current A/C Deficit



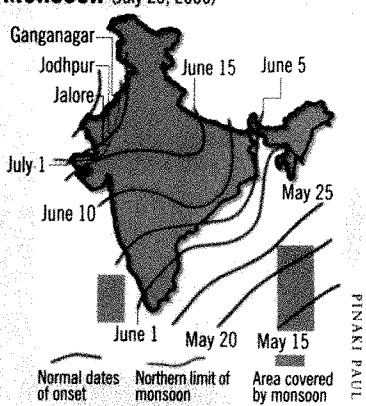
Figures in $ million for FY 2005-06 Source: RBI

MONSOONS

Status: 14 per cent deficient between June 1 and July 18, but it now covers almost the whole of India.

Impact: NCAER has revised its forecast for agricultural growth for the year from 3.5 per cent to 2.5 per cent. "Rural consumption will be subdued this year," says Gaurav

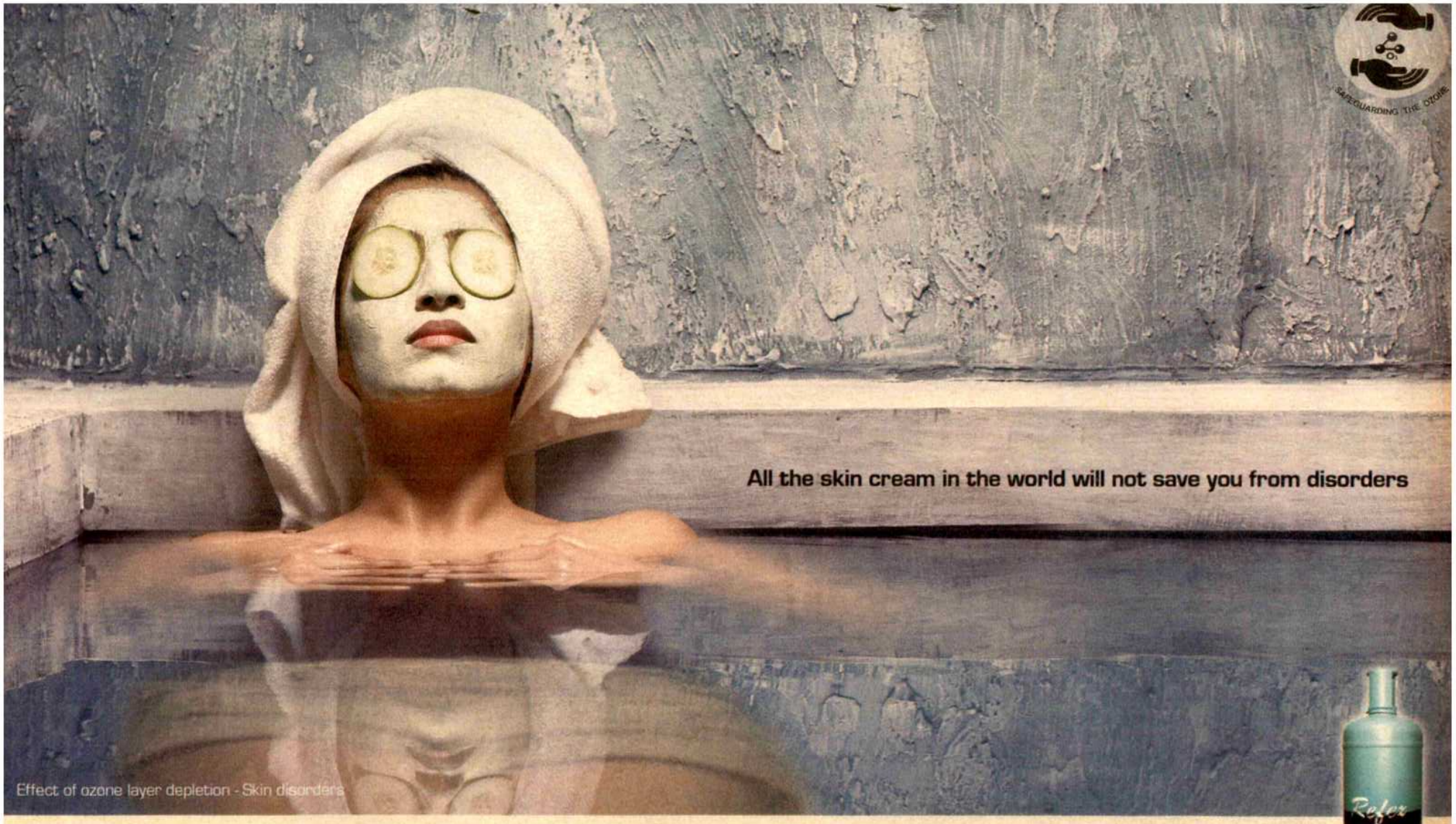
Progress Of Southwest Monsoon (July 20, 2006)



PINAKI PAUL

Vats, Senior Research Analyst, Agriwatch. "Foodgrain production, mainly rice and pulses will also be impacted," he adds.

COMPILED BY ANAND ADHIKARI AND PALLAVI SRIVASTAVA



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P-WATCH

A bird's eye view of what's hot and what's not on the government's policy radar.

A FIX FOR SPIRALLING LAND PRICES?

THE PRESCRIPTION

- Govt plans a legislation to curb land punters
- Regulator planned for addressing issues of allottees and developers
- Once enacted, legislation will come into force only in Union Territories
- At best, it can serve as a model for states, as land is a state subject
- Expected to become operational in November

SQUATTERS, BEWARE! WELL, NOT REALLY. The Central government is attempting to draft a legislation that makes it mandatory for those buying into 'urbanisable' land to start construction within a fixed time frame from the point of purchase. Else, the government will be within its rights to buy it. While this measure is aimed at evicting squatters (and speculators and arbitrageurs) who drive up land prices, the legislation will quite simply be a non-starter. Why? Because land is a state subject. Unless, of course, the states adopt it. A regulator is also envisaged under the legislation, The Real Estate (Regulation and Control of Activities) Act (when the bill is enacted). The regulator will redress the grievances of both the allottees and the developers.

Once enacted, the Act will come into force in Delhi (where land issues are administered by the Centre) beside Union Territories. Hopefully, the states will adopt it before the land mafia makes it any worse for city dwellers.

AMIT MUKHERJEE

BIG BROTHER HAS TO SAY YES

ONLY THE PARANOID SURVIVE, SAID FORMER INTEL CHIEF ANDY GROVE, A few years ago. He surely didn't suggest this prescription for governments. Unfortunately, the Indian government is planning to adopt this mantra. In a proposed move, the government plans to license out the business of manufacture and purchase of broadcast equipment. According to media reports, this move comes at the behest of security agencies. The hounds fear that the country's interests will be undermined if unfettered business is conducted in this domain.

AMAN MALIK

SUGAR EXPORT BAN SET TO GO

INDIA'S SUGAR POLICY IS SET TO COME A FULL CIRCLE WITH THE GOVERNMENT planning to ease the ban on export of sugar. It had earlier said the ban would be in force till April 2007, largely to keep domestic prices in check; sugar, after all, is a commodity that can make or break electoral fortunes.

Even at the time of the ban the government could have managed price escalations in certain markets by moving stocks internally rather than by banning exports.

Now, with the country expecting a record output of 22 million tonne of sugar in the crushing season starting October, the ban will go. Will domestic prices increase again?

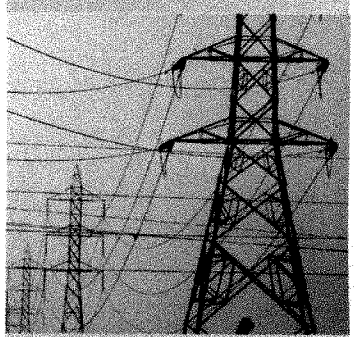
AMAN MALIK

TRADE (DEAL) SURPLUS?

THE LAST FORTNIGHT HAS SEEN TWO big-ticket regional trade deals involving India gaining momentum. First, Argentina submitted a proposal for a three-way free trade agreement with a host of Latin American and African countries. This was followed up by a deal from the 25-member European Union (EU).

While the commerce ministry is immersed in assessing the impact of these deals, the global trade deal under the WTO, appears to have been put on the backburner.

AMIT MUKHERJEE



Critical link: Power supplies

RUPEE POWER

DOMESTIC LENDING AGENCIES LIKE SBI, IDBI, ICICI have decided to fund ultra-mega power projects in rupee denomination, preferring it over foreign currencies. The reason is not hard to comprehend—lenders funding seven out of every ten rupees in a project, foreign exchange risk can jeopardise the viability of the project. In the unlikelihood that all the six projects, aggregating 24,000 MW take off, the rupee exposure would be a staggering Rs 75,600 crore.

BALAJI CHANDRAMOULI

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NEWSMAKER
N.R. NARAYANA MURTHY

Trendsetter: Infosys' Murthy has no plans to retire now

N.R. NARAYANA MURTHY, CHAIRMAN AND CHIEF MENTOR OF Infosys Technologies, will turn 60 on August 21 this year; that day, he will assume a new role—of Non-Executive Chairman of the company he founded 25 years ago. Murthy is stepping back, not to retire, but to indulge in a passion—following in the footsteps of his schoolmaster father—and teach Infoscians at the company's leadership institute in Mysore. He has groomed a team of successors well in advance, so his moving on is not expected to change the way the company operates. But, Murthy—an unsentimental man who is driven more by logic and numbers than by emotion—admitted to this correspondent recently that the decision wasn't at all easy. He is, after all, an icon in a nation starved of them. His—and indeed, all the Infosys co-founders'—appeal lies in the fact that a bunch of middle class, next-door-neighbour-type guys with nothing except education, enterprise and ethics going for them achieved so much in so little time. Infosys did not invent terms like corporate governance, transparency and playing by the book, but Murthy's personal example has ensured that the company has now become synonymous with these values. "When in doubt, disclose," is a famous Murthy-ism; "a clear conscience is the softest pillow" is another.

If all this has given you the impression that Murthy is heading towards semi-retirement, then perish the thought. On the day this correspondent met him for this report, there was a bevy of architects and suppliers waiting to meet him to discuss Infosys' plans to expand and build campuses across the country. Though he may be (symbolically) moving from his corner room to another ("to make a clean break and to start with a new slate," he says) his presence will continue to loom large. "I will always be there to help and guide the company whenever it needs me," he says.

VENKATESHA BABU

NUMBERS OF NOTE

$3,130 (Rs 1,47,110): The amount NRI steel tycoon L.N. Mittal earns every minute on his $23.5-billion (Rs 1,10,450 crore) fortune

2,025: The number of new employees that joined Infosys on June 26

$357.3 million (Rs 1,679.3 crore): The amount Microsoft has been fined by the European Commission for failing to comply with its 2004 anti-trust ruling

Over 10,000: The number of company secretary posts now lying vacant, according to the Institute of Company Secretaries of India (ICSI), which says registration of students has fallen by about 15 per cent over the past two years

262: The number of times the pay of a US CEO exceeded that of a worker in 2005, according to the Economic Policy Institute, a Washington-based think tank. It means, US CEOs earned more in one workday than a worker earned in one year (260 working days)

$132 million (Rs 620.4 crore): The record pickings of *Pirates of the Caribbean: Dead Man's Chest* in the first three days after its release

4.80 million: The number of new telecom users added in June (4.78 million new mobile connections and 0.2 million new fixed lines), taking India's telecom subscriber base to 153.37 million

$2.6 trillion (Rs 1,19,60,000 crore): Total amount of money likely to be spent by airlines worldwide on buying new commercial jets over the next 20 years, according to Boeing

40 million tonnes: The amount of steel India produces a year. By 2010, demand is likely to be 65 MT. Mittal Steel alone produces 75 million tonnes, and the Arcelor-Mittal combine has a capacity of 121.7 million tonnes

2.4 metres by 1.4 metres: The size of Matsushita Electric's proposed plasma TV, the world's largest, which it plans to launch early next year

13: Number of football World Cup finals (out of a total of 18 so far) decided after 90 minutes. Three finals were decided after extra time and two after penalty shootouts

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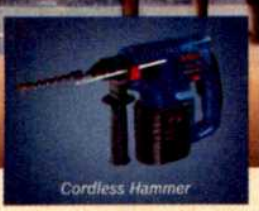
Cordless Screwdriver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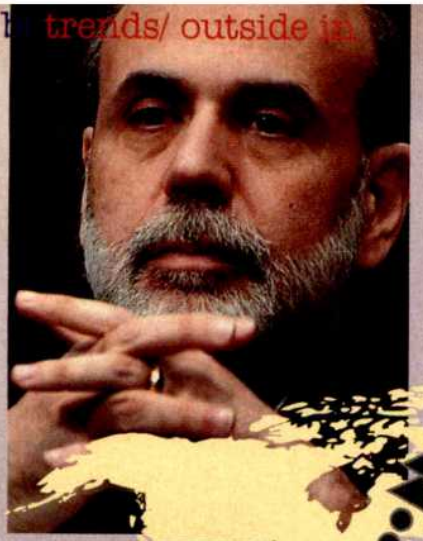


New York: US Federal Reserve Chairman Ben Bernanke told the Senate Banking Committee during a testimony that inflation pressures are likely to subside in the coming quarters as the US economy slows, giving the clearest signal yet that the Fed's two-year rate tightening cycle is nearing an end. Since the RBI, and several other central banks around the world, sneeze every time the Fed catches a cold, will this result in an easing of the rising interest rates in India?

Geneva: The services agreement, being prepared by a World Trade Organization committee, promises to ease entry barriers for professionals. A WTO paper is pushing for mutual recognition of degrees wherever possible and has said language skills should not be used as an unnecessary barrier for service providers. This should be sweet news for Indian professionals eyeing opportunities in the US and other developed countries.

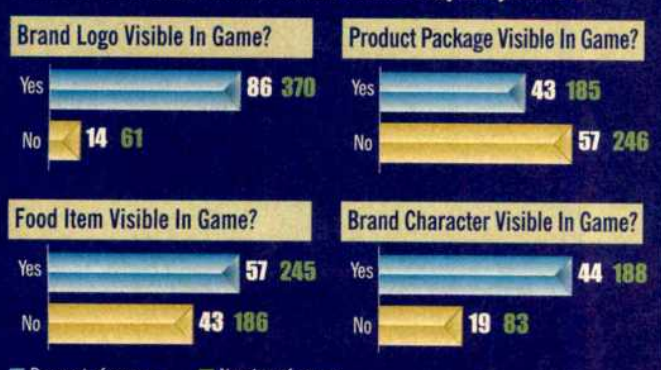
Seattle: Microsoft Corp. has warned that a new computer virus, that exploits a vulnerability in its PowerPoint presentation software, allows hackers to infiltrate computer systems. The virus is activated when users attach PowerPoint files to an e-mail or open a file provided to them by the attacker. The vulnerability applies to PowerPoint 2000, 2002 and 2003. India Inc and much of the global business community that depends on this software for presentations had better watch out.

Beirut: Israel's attack on Lebanon and rising temperatures over Iran are pushing global crude prices up again, this time above $78 a barrel. Traders in London say the market is fearing supply disruptions in the wake of these multiple crises in West Asia. Prices touching $100 a barrel is now well within the realm of probability. Oil guzzling economies like the US, the EU, China, Japan and India have a lot to worry about.

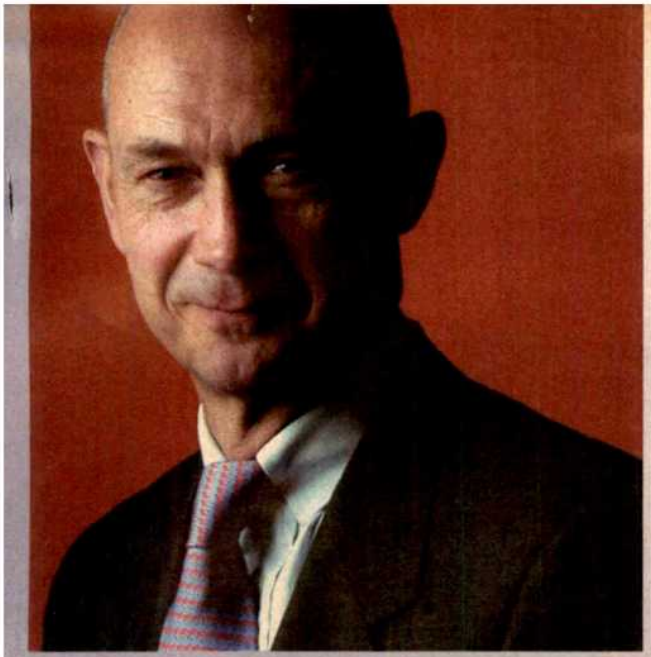
HOW GLOBAL FOOD COMPANIES TARGET CHILDREN

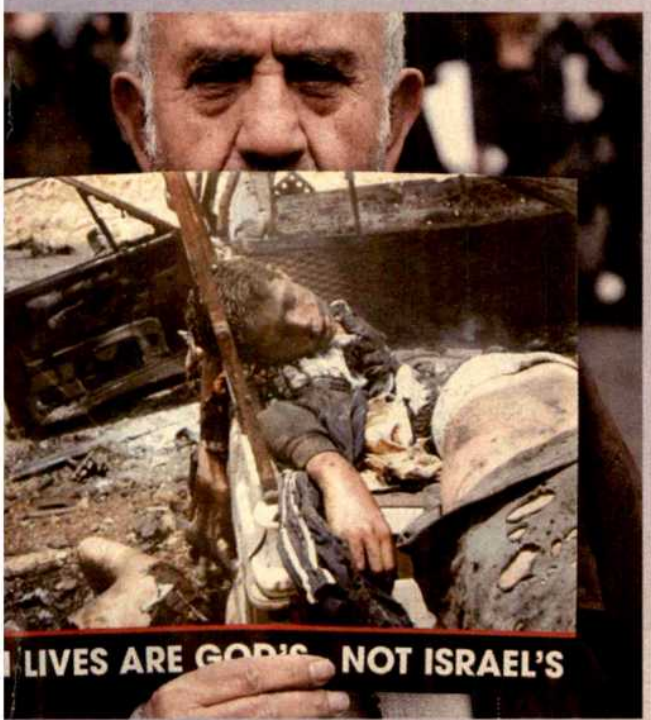
The Kaiser Family Foundation has conducted the first-ever study on online advertisement aimed at children. Here are some of the findings:

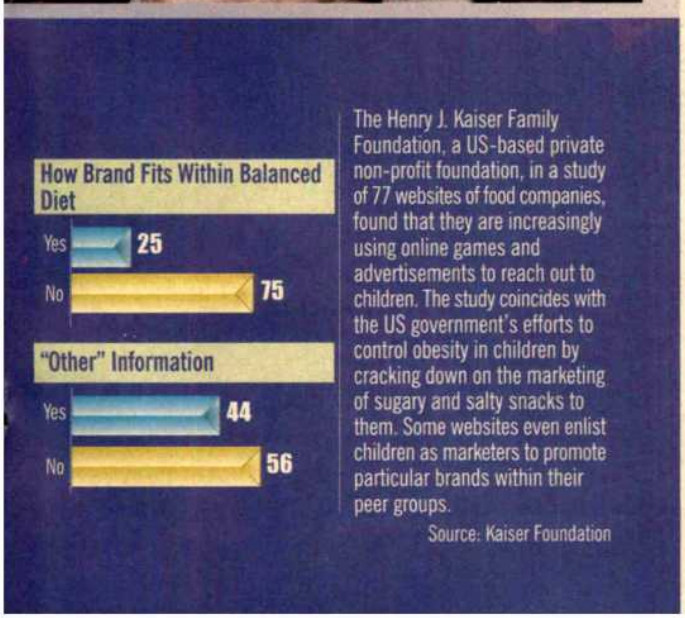
Presence Of Brand Marks In Online Games Played By Children



Nutritional Information







The Henry J. Kaiser Family Foundation, a US-based private non-profit foundation, in a study of 77 websites of food companies, found that they are increasingly using online games and advertisements to reach out to children. The study coincides with the US government's efforts to control obesity in children by cracking down on the marketing of sugary and salty snacks to them. Some websites even enlist children as marketers to promote particular brands within their peer groups.

Source: Kaiser Foundation

VERBATIM

"It was like a boxing match. We thought we were knocked out, and then we won it in the 12th round"

L.N. Mittal, *Chairman, Mittal Steel, on the Arcelor deal, in* Fortune

"Make sure the right people in the right way know when (you're) doing great things. You have to be your own fiercest career advocate"

Joanne Zaiac, *President of marketing agency Digitas' New York office, in* Forbes

"Ford is going green for a billion"

Lewis Booth, *Head, Ford Europe, noting that the company has earmarked £1 billion (Rs 8,600 crore) to develop environment-friendly technologies for its cars, to* Reuters

"The economy of the future is going to be driven more by companies like Google than by companies like General Motors"

Charles Ballard, *head of the economics faculty at Michigan State University, in* The Detroit News

"Many investors are going to lose their shirt here, as it's an opaque market, and a wrong partner can easily do you in"

S. Sriniwasan, *Executive Director, Kotak Mahindra Realty Fund, on the Indian realty market, in* Fortune

"When we deprive people of the opportunity to see and experience America—we deprive ourselves of new ambassadors for our country, our people, and our way of life"

J.W. Marriott, Jr., *Chairman and CEO, Marriott International, to* Reuters

"Nobody really likes to be lectured a lot to. And, therefore, if you want to be an effective person, what you don't do is scold people publicly all the time"

George W. Bush, *President of the US, on* BBC.com

"What other management strategy will improve people's performance 34 per cent in 26 minutes?"

Mark Rosekind, *President of Alertness Solutions, a fatigue-management consultancy, and former NASA scientist who's research shows that a 26-minute nap increases pilots' performance 34 per cent, to* Reuters

"The best way to get politicians to take action is to make a lot of noise—they hear us then"

Sir Bob Geldof, *the outspoken Irish campaigner and musician, on* BBC.com

ORDERED: Environment friendly CNG buses, by airlines operating from Delhi. They have placed orders with Tata Motors, Ashok Leyland, and others to complete the switchover.

APPROVED: The setting up of the Sixth Pay commission, by the Cabinet. Its award, which will affect 55 lakh central government employees, will cost the exchequer an additional Rs 20,000 crore annually in pay and allowances. The three-member commission will give its report in 18 months.

LISTED: The Indian middle class, by *Fortune*, as being among the world's Top 50 Who Matter list, ahead of US Federal Reserve Chairman Ben Bernanke (20th) and Microsoft Chairman Bill Gates (21st). "The emerging global middle class of China, India, Russia, Brazil and elsewhere" has been ranked seventh.

PULLED UP: By the Insurance Regulatory and Development Authority, public sector insurance companies for trying to deny health insurance benefits to elderly people. Earlier, Oriential Insurance Company tweaked procedures making it difficult for people above 50 from buying or renewing mediclaim policies.

RECORDED: By Delhi, a per capita income of Rs 53,976, double the national average, according to Delhi government's estimates of state domestic product (SDP) 2004-05. Delhi's per capita income figure is the highest among all states in India. The national per capita income at current prices is Rs 23,241.

FILED: By Nimmi Singh, mother of Ranbaxy honchos Malvinder and Shivinder Singh, a criminal complaint against Max chairman Analjit Singh and others, for allegedly intimidating and assaulting her and her daughter-in-law. Analjit has also filed a defamation case against Nimmi for allegedly maligning him.

TRANSFERRED: P.K. Kedia, Director, Investigations, Income Tax Department. He was probing the payment of Rs 300 crore as bribes by the liquor lobby to several leading politicians and bureaucrats. All other members of the investigation team have also been transferred out.

NEW PETROL-LPG WAGON R LAUNCHED

MARUTI HAS LAUNCHED A NEW-LOOK Wagon R, called Wagon R Duo that runs on both petrol and LPG. You can switch from one fuel to the other with the flick of a switch. The car has a 22 litre gas kit, which is being procured from Poland and the US, and a conventional 35 litre petrol tank. The obvious draw: "the running costs of an LPG car are 33 per cent lower than one which runs on petrol," says MUL MD Jagdish Khattar. The Duo costs between Rs 3.4 lakh and Rs 3.6 lakh. Three regular petrol-only versions are also available and cost Rs 3.23 lakh to Rs 3.72 lakh.

AMIT MUKHERJEE

AIDS CAN SLOW

FINALLY, THERE ARE NUMBERS ON the economic impact of HIV/AIDS on the Indian economy as well as the affected households. A recent set of studies, by National Council of Applied Economic Research (NCAER), map out some of the crucial impact of the epidemic. India's economic growth could decline by 0.86 per cent over the next 10-15 years if the growth of the epidemic remains unchecked. In absolute terms, that will result in Rs 11,09,793 crore being shaved off the gross domestic product (GDP) in 2015-16 (at 2002-03 prices), according to model projections. The rationale: increased health spending by both households and the government leads to a fall in savings, which crowds out investment and results in a slowdown in growth. Government savings as a percentage of GDP could fall 67 basis points and household savings by 115 basis points.

THE AIDS REPORT

- GDP growth could decline 0.86 per cent over the next 10-15 years
- In absolute terms, that's a loss of Rs 11,09,793 crore
- Government savings could fall 67 bps
- Household savings may dip 115 bps
- Women and femal children to suffer most

At the household level, the total income could fall by 9.24 per cent due to lost earnings from illness and death. The worst affected, as usual, are the women and female children as there is often gender discrimination in treatment and care. Children from the affected families are more likely to have lower enrolment and higher drop-out rates, the study notes. And since education is the first line of defence against the disease, doors for prevention already start closing on them from childhood itself.

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THE BT 50 INDEX

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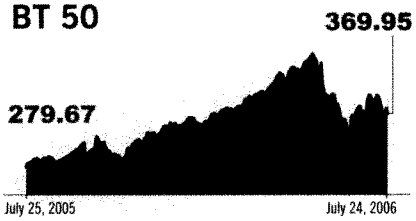

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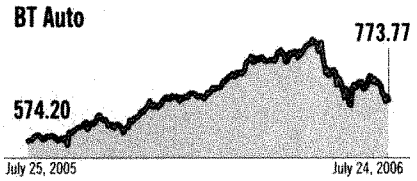

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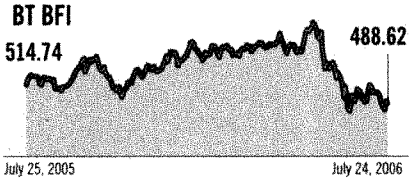

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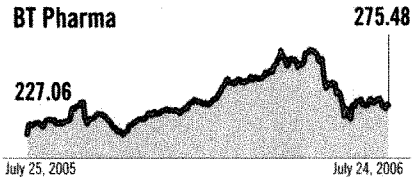

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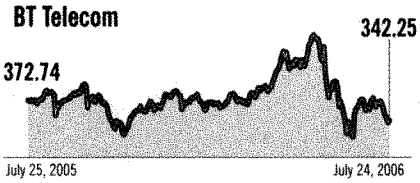
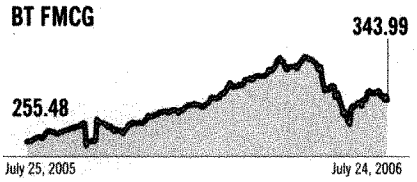
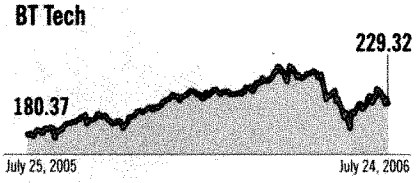


BT FMCG



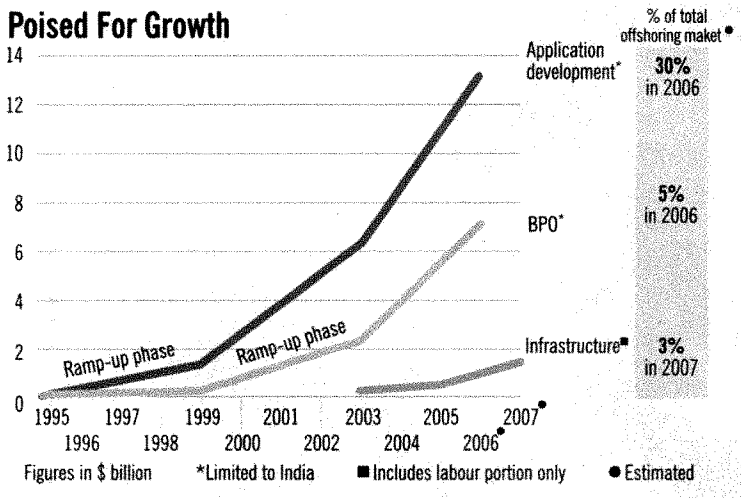
BT Tech



MOVING IT INFRASTRUCTURE OFFSHORE

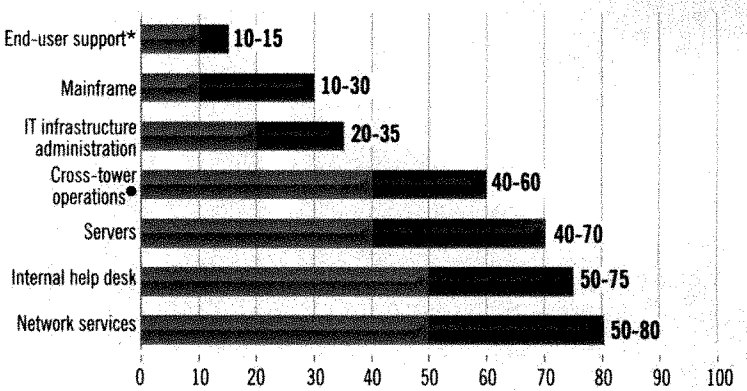
After applications development and business process outsourcing (BPO), physical infrastructure, like servers, etc, and their associated workforce are now being moved from the US and western Europe to low cost locations around the world.

Poised For Growth



Figures in $ billion *Limited to India ■Includes labour portion only ●Estimated

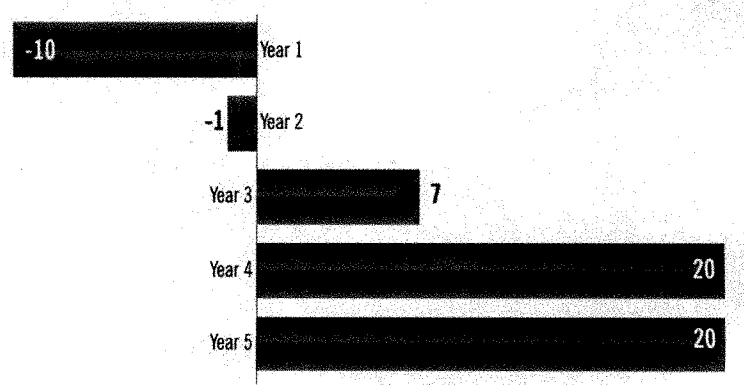
Offshorable Workforces



Full-time employees that can be offshored, in per cent *Laptops, desktops, pagers, e-mail
● Includes backup, change management, monitoring, physical and logistical provisioning, among others.

Typical Labour Savings

Forecast savings in labour costs from offshoring IT infrastructure and its associated workforce (disguised example of financial-services company), as per cent of total labour costs



Source: Deutsche Bank; Forrester Research; Nasscom, McKinsey analysis

GRAPHICS BY PINAKI PAUL

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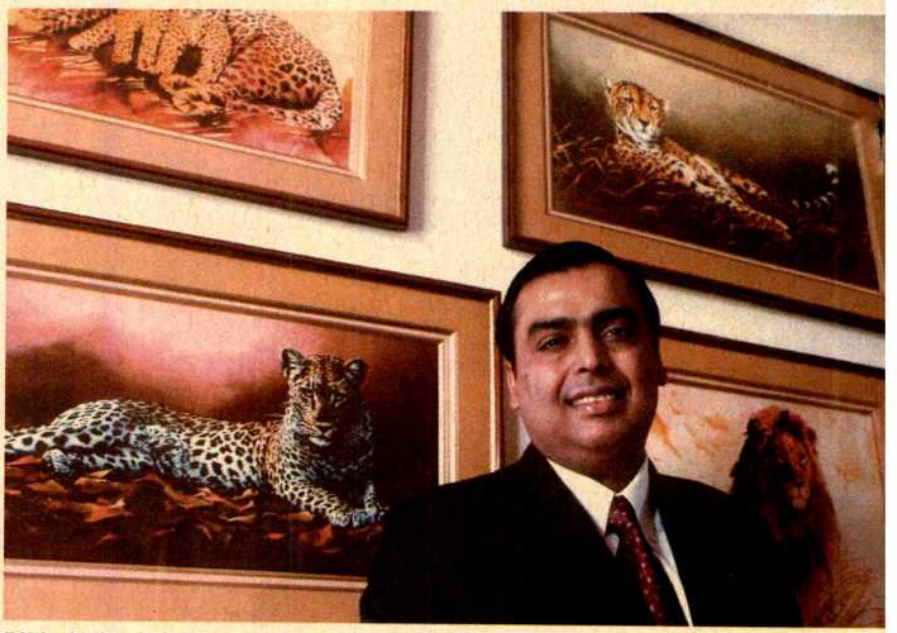
Current

Gas Gamble

Why did it take RIL two years to figure out a bum gas deal? BALAJI CHANDRAMOULI

THE CAT IS FINALLY OUT of the bag. Mukesh Ambani controlled Reliance Industries Ltd (RIL) recently informed the government that it wants more money for the natural gas it had committed to sell to power producer National Thermal Power Corporation (NTPC). This would otherwise pass off for as a rational business decision, given the rising global gas prices, but for the fact that RIL had bid a price that was a significant 30 per cent lower than the next lowest bidder, Malaysian gas major Petronas, two years ago. Not only that, this price was also lower than the prevailing open market price (public sector gas continues to be sold at controlled prices), that too in a country where only 50 per cent of demand is met.

If RIL had then decided to change its mind, the cost of exit would have been a mere Rs 20 crore, an amount Ambani could recoup from sale of gas at the then prevailing market price in less than a fortnight. But he chose not to. Rather, RIL sought a review of the draft contract and insisted that NTPC drop a key clause that ensured that in case of 'no supply', RIL compensated the cost of alternative fuel, naphtha, which could be a very expensive affair, as it turns out in present times—the price of naphtha is seven times the gas price offered by RIL. Interestingly, this clause did not deter Petronas from bidding a competitive price. Anyhow, protracted negotiations between RIL and the power major fell through on this count and NTPC went to court in December 2005. Interestingly, all this while, RIL did not rake up the 'price' issue.



BHASKAR PAUL

RIL's Ambani: Selling gas is as difficult as searching for it

So, for RIL to now raise the bogey of the gas price, rather late in the day, raises a few questions: Did RIL misread competition in NTPC's tender? Or did it misread the global gas market that, on the one hand, witnessed an explosion in capacity creation, and on the other, heated up on account of the rising oil prices? After all, the prevailing price is well over twice that offered by RIL to NTPC.

Or, further still, was it an ingenious strategy that worked up to a point—till the brothers parted ways? When contacted, RIL refused to comment on the issue.

Proponents of this argument point to the exploration policy that allows the explorer to share profits with the government after recovering costs involved in finding the hydrocarbon reserves. Evidently, profit share is a key determinant in the award of exploration blocks by the government—higher the

profit share, better are the chances for an explorer to win a block. All this assumes that the explorer will sell gas at the highest price and not undertake anything less than an arms-length transaction that would depress the market price. For instance, for the discovered gas block in the Krishna-Godavari basin, RIL has offered to part with 28 per cent of profits up to the point where revenues swell by a factor of two-and-a-half times the investment. Anything beyond, and government's take spikes to 85 per cent, whilst RIL's returns pare to 15 per cent.

Critics of the RIL-NTPC deal argue that by quoting a price well below the then prevailing market rate, RIL set a benchmark that it hoped to replicate in other ventures of its own—power as well as petrochemicals, where the product price is delinked from costs. The gambit, if it were at all, is a fine one, for NTPC would consume only 25 per cent of RIL's gas production. The rest of it would enjoy the benefit of realising market value without having to pay proportionate profits to the government.

However, that was not to happen, as the Ambani empire split. Consequent to this was born a gas contract between the brothers, cloned on the NTPC deal, except that it was a year later (middle of 2005), even as gas prices rose further.

Evidently, this was no demonstration of affection by the elder brother, for a market-linked gas price would only benefit the government.

The government recently took note of this and questioned whether at all the transaction between the Ambani brothers was 'arms length' in nature, for the draft contract was drawn up prior to the actual split.

Selling gas in a starved market, quite surprisingly, is turning out to be as difficult as discovering it several kilometres below the earth's surface in choppy high seas.

Size Matters

Anil Ambani wants to build the world's largest power plant.

R-ADAG's Ambani: Big is beautiful

THEY BEGIN WITH $10 BILLION (Rs 47,000 crore) these days. A few weeks ago, Mukesh Ambani, Chairman, Reliance Industries (RIL), announced a total outlay of Rs 50,000 crore for his retail project and a special economic zone in Haryana. Last fortnight, younger brother Anil, now Chairman of Reliance-Anil Dhirubhai Ambani Group (R-ADAG), announced he will be putting a 60,000-MW coal-fired power plant in Orissa. The proposed investment? Rs 60,000 crore (Rs 50,000 crore for generation, and Rs 10,000 crore for transmission and evacuation). To be located in Hirma in Jharsuguda district, work on the project is expected to start in a year and the first phase of the 18,000 MW has a timeline of five years. At a press conference in Bhubaneswar, Ambani said: "This will be the largest investment in a single-location power plant anywhere in the world."

This is not the first announcement from Ambani as far as the power sector is concerned. Earlier, Ambani—before the Reliance demerger—announced plans for setting up a 3,740 MW gas-power generating station in Dadri in Uttar Pradesh. The investment for Dadri at that stage was Rs 11,000 crore (today, it is in excess of Rs 15,000 crore). With the Orissa project, Ambani surely has his hands full both in terms of timelines and also raising the money for these mega projects. According to an analyst tracking the sector, the thumb rule for the sector as far as raising finance is concerned is 70 per cent from debt and the rest from equity. "This means that for the Orissa project alone, Ambani's debt requirement will be over Rs 40,000 crore," he adds. On the power scenario at a more macro level, the deficit is close to 13 per cent with demand at 95,583 MW and supply just over 83,309 MW.

Interestingly, Ambani proposes another investment of Rs 1,500 crore in Orissa, which will go towards setting up a hospital and putting in place the "Dhirubhai Ambani Institute of Communication Technology", which will be housed in Bhubaneswar. For Orissa Chief Minister Naveen Patnaik, it is raining investments: L.N. Mittal recently announced a Rs 40,000-crore investment for his new steel plant. Sterlite Group's Anil Aggarwal had also announced a Rs 15,000-crore investment to set up a university project last fortnight. For Ambani, Hirma assumes huge significance since the Dadri project has not moved much since the demerger. The bone of contention has been on the supply of gas for the project, which will have to come from Mukesh Ambani's RIL.

The Hirma unit will be coal-based.

KRISHNA GOPALAN

Concrete Buyouts

The race for domestic capacity hots up among global giants.

OVERSEAS CEMENT MAJORS ARE bullish on the Indian cement story and are in a bit of a rush to either enter the market or strengthen their presence. There's Lafarge, which bought the Tatas' cement unit in 1999, there's Swiss giant Holcim, which has acquired a 24 per cent stake in Gujarat Ambuja and also owns 33 per cent in ACC. And there's Italcementi, which has a JV with the Zuari Group. Now, German cement giant Heidelberg-Cement has bought a 51 per cent stake in the S.K. Birla-owned Mysore Cement. Earlier, Heidelberg entered into a JV with the S.P. Lohia-owned Indorama Cement. Heidelberg accounts for about 68 million tonnes (MT) of the total global capacity of nearly 1.5 billion tonnes. The top three cement producers globally are Lafarge, Holcim and Cemex. With Mysore Cement in the bag, Heidelberg's capacity in India goes up to 3.5 MT. Holcim currently has 33 MT, Italcementi 2.2 MT and Lafarge has 5 MT.

For Heidelberg, the deal with Mysore Cement gives it a significant entry into the Indian market. The deal will involve the German major acquiring a 51 per cent stake in Mysore Cement for $100 million (Rs 470 crore). This will be in two tranches, which will have Mysore Cement making a preferential issue of 6.65 crore shares that will be followed by the S.K. Birla Group selling 1.34 crore shares. Heidelberg, has in fact, just made an announcement to the shareholders of Mysore Cement for the 20 per cent offer.

For Heidelberg, the deal brings to the table Mysore Cement's 2.2 MT capacity, which is spread across its plants in Central and southern India. This, with the existing grinding plant—this is with Indorama—will take Heidelberg's capacity in India to over 3 MT. Not large compared to the Gujarat Ambuja-ACC combine or the Aditya Birla Group's UltraTech Cement, which have capacities of over 30 MT. Obviously, Heidelberg has not ignored the fact that the Indian cement industry is growing at over 9 per cent per annum on the back of some huge infrastructure projects. While there has been talk of valuations—Heidelberg's deal with Mysore Cement was stuck at about $120 (Rs 5,640) per tonne—being on the higher side, the justification is the potential in the Indian market. "GDP is growing at about 8.5 per cent per annum, which has been accompanied by increasing valuations in infrastructure," points out Ravi Menon, Managing Director and Co-Head (Investment Banking), HSBC. Evidently, players like Lafarge, Holcim and Italcementi are looking at that closely.

KRISHNA GOPALAN

CAPACITY FOR ACQUISITION

GLOBAL CEMENT MAJORS	COMPANIES ACQUIRED	TOTAL CURRENT CAPACITY	GLOBAL CAPACITY
Holcim	Ambuja	33	160
Lafarge	Plants of Tatas and Raymond	5	200
Italcementi	JV with Zuari Industries	2.2	56
Heidelberg	JV with Indorama and acquisition of Mysore Cement	3.5	70

Figures in million tonnes

Distress In Dabhol

Overruns and fuel uncertainties persist at the project.

THE GHOST OF THE BELEAGUERED 2,184-MW Dabhol power project refuses to rest in peace. Close to a year after hammering out an expensive settlement with foreign lenders and equity holders, domestic lending agencies SBI, IDBI Bank and ICICI Bank have yet again knocked on the government's doors. They warn of an impending second round of settlements, where not only will the domestic lenders suffer further losses, consumers in Maharashtra too will pay a higher price for power from the project. The reason: Time and cost overruns coupled with the uncertainty over availability and price of fuel, which ideally constitutes around 60 per cent of power cost.

The rechristened Ratnagiri Gas and Power Project Ltd (RGPPL) was expected to be commissioned in October. The latest deadline set is now March 2007. The delay is primarily due to the inability of GAIL, a 28 per cent equity holder brought into the project by the government with the main objective of sourcing gas, to deliver the fuel of choice to power the plant. As a last resort, GAIL is in the process of constructing a pipeline that will connect the project to Petronet LNG Ltd's (PLL) receiving terminal in Dahej, Gujarat. And even this gas supply is available only for two years, till 2009, while the power project has a life of 15 years.

The lenders have pointed out that the financial restructuring of the project was on the assumption that the power unit as well as the liquefied natural gas (LNG) receiving terminal would be completed at a cost of around Rs 870 crore. This cost,

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FAWZAN HUSSAIN

Ratnagiri Gas & Power: No gas, no power

they fear—and, not without reason—will rise further. For instance, GAIL has mooted a proposal that might not be critical to the power plant operation, but would certainly help it trade gas across the country from the spare LNG terminal capacity (over 50 per cent). The gas transportation monopoly, based on GAIL's consultants' report, has suggested construction of a 'breakwater' at a cost of around Rs 300 crore as it would enable round-the-year berthing of ships for supply of LNG.

The lenders, however, have not placed all their cards on the table; during the restructuring process, they have provided for a small degree of cost escalation. But one thing is fairly certain: It does not add up to the Rs 1,465 crore estimate staring RGPPL in the face.

Ironically, the RGPPL project is saddled with the same problem that was partly responsible for the demise of its disgraced parent, Dabhol Project Company: Operation on naphtha, an expensive fuel. The only reason that the project has managed to operate for the last 55 days, thanks to government intervention, is that a good part of the fuel relates to naphtha stocks that have been capitalised in the project cost itself at the time of restructuring of the project. Furthermore, the consumers in Maharashtra pay nothing more than the fuel cost amounting to a significant Rs 4.35 per unit, with none of the project sponsors earning anything. Had commercial terms been applied, the power cost would have risen by another rupee per unit. Not surprisingly, in their communication to the power secretary, the lenders have objected to this inequitable disposition, in which only Maharashtra gains.

While the project will achieve some degree of stability once it fires on gas from PLL's Dahej terminal, there still remains the issue of the cost of the pipeline that feeds the project. While GAIL is quoting a price that would ramp up the power cost by around 30 paise per unit, the lenders argue that this very pipeline can be used by GAIL to trade gas from RGPPL's spare LNG terminal capacity, once the gas major manages to tie up a long term gas contract.

Clearly, the genesis of RGPPL's problems lies in the government's decision to nominate government agencies as equity holders rather than selecting bidders on the basis of their ability to deliver gas and complete the integrated power and LNG project in the quickest possible time.

BALAJI CHANDRAMOULI

When Bad Is Good

CIBIL tracks bad assets, ARCIL collects them.

RS 22,000 CRORE—THAT'S THE value of distressed assets that the Asset Reconstruction Company (India) Ltd (ARCIL) is sitting on (which is 9 per cent of the market for bad assets). But ARCIL isn't complaining, because as its name suggests, it's the country's only bad asset recovery company. A few hundred metres away from ARCIL's headquarters in Mumbai's commercial district of Nariman Point is housed the Credit Information Bureau of India (CIBIL), which is privy to the credit history of 60 million retail borrowers, of housing, credit card and other consumer loans. CIBIL is the country's only public institution that revels in such data. "CIBIL will help reduce NPAs (non-performing assets) over a period of time," believes S. Santhanakrishnan, Chairman, CIBIL. CIBIL gets its data updated on a monthly basis by banks, who are also its biggest customers.

Whilst CIBIL collects retail lending data, ARCIL collects corporate assets, via banks. Says S. Khasnobis, Managing Director & CEO, ARCIL: "I see small NPAs coming into the system in a big way in the next couple of years." The bulk of NPAs with ARCIL are from the commodity sector, but the new NPAs in the system could arrive from real estate or other bubble sectors. "NPA percentage may go down going forward, but the absolute number will go up due to lending growth," he adds. The three-year-old company made a profit of Rs 30 crore in 2005-06. But competition is inevitable—from foreign banks as well as the Reliance-Anil Dhirubhai Ambani Group, which has lured former ARCIL Chairman Rajendra Kakkar into its fold. Bad assets never had it so good.

ANAND ADHIKARI

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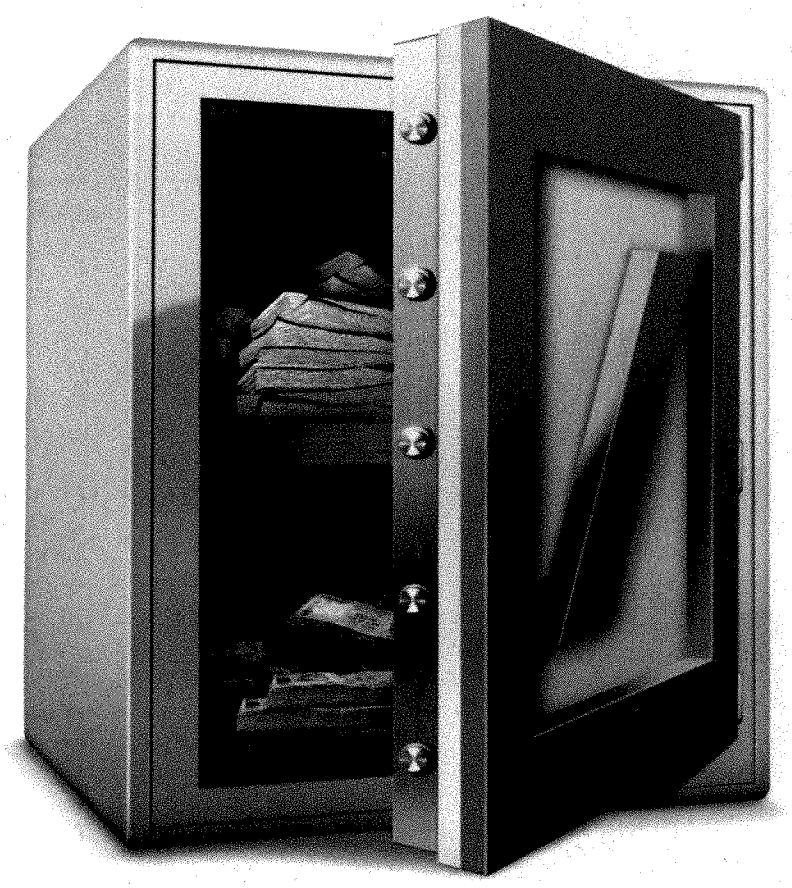

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Fighting Over Children

There's a battle brewing in the kids' channel space.

ARE WALT DISNEY INDIA AND UTV discussing a tie-up in the children's broadcasting space? Rajat Jain, Managing Director, The Walt Disney Company India, which has two channels, Disney and Toon Disney, and Ronnie Screwvala, CEO , UTV, which owns Hungama TV, dismiss this as "speculation", but industry watchers say a tie-up will do both a world of good, and enable them to take on Turner Entertainment Network's two children's channels—Cartoon Network and POGO—that are the clear market leaders in this space.

According to Television Audience Measurement (TAM) Media Research, in the first half of 2006, the two Turner channels had 30 per cent and 23 per cent viewership share, respectively, while Hungama TV, Disney Channel and Toon Disney had 14 per cent, 11 per cent and 17 per cent shares, respectively. "Together, the two Turner channels account for more than 50 per cent of the total advertising, which stood at around Rs 700 crore in 2005," says a Delhi-based media buyer. Disney and UTV, however, dispute these figures. "Hungama TV, in the last few days, has overtaken Cartoon Network and registered a 42 per cent share," says Screwvala. Cartoon Network has also consistently lost market share (from 85 per cent in 2004 to 30 per cent now) in the past two years, he adds. "It's not fair to compare new players (Disney and UTV entered the market only two years ago) with those who've been around for over a decade," says Jain.

Turner Entertainment, meanwhile, seems unfazed. Says Ian Diamond, Senior Vice President, Turner Entertainment Networks Asia: "When you have well-entrenched and successful brands like Cartoon Network and POGO, it makes sense (for others) to consolidate. Maintaining our position in a multi-player environment is nothing new for us. We are our greatest competition and we will continue to work towards maintaining our leadership position."

Can the challengers topple the market leaders? Let the kids decide.

ARCHNA SHUKLA

Just Show Me The Money

Temasek is in the back seat in two Indian ventures.

TEMASEK HOLDINGS, THE SINGAPORE-based investment giant with a global portfolio of a little over S$100 billion (Rs 3,00,000 crore), is known to be an active investor. As it is in Indian companies like Tata Teleservices and ICICI Bank, where it has a 9.9 per cent and 7.44 per cent stake, respectively. But there are times when Temasek takes a back seat and prefers to be a passive investor, involving only its cash and little else. These are times when the fund's wholly-owned subsidiaries play the strategic role, just as is happening in India in the mutual funds and the non-banking financial company (NBFC) spaces. Temasek's 100 per cent-owned subsidiary Fullerton, through a joint venture with Sabre Capital, is starting a mutual fund in India, which will go by the name of Lotus India Asset Management Company.

BHASKAR PAUL

Lotus AMC's Bagga: Eyeing breakeven

Another fully-owned subsidiary, Asia Financial Holding (AFH), has set up First India Credit, a 100 per cent-owned NBFC.

Ajay Bagga, CEO, Lotus India, says this is the first time Fullerton is venturing into the AMC business. "They have their expertise in managing institutional money and now want to venture into retail space by managing third party funds," he says. Fullerton owns 55 per cent stake in the JV in which Rana Talwar through Sabre Capital is a minority shareholder, and former Mphasis head honcho Jerry Rao has also hopped on board with Talwar. The promoters have infused $5 million (Rs 23.5 crore) in the AMC and another Rs 20 crore are said to be waiting on the sidelines for growing the business. "Our target is to break even in three-and-a-half years," says Bagga. The AMC has roped in a former fund manager from SBI AMC, Sandip Sabharwal, to head the equity desk, whilst Nand Kumar Surti, formerly of JM Financial, will head the debt funds. With an employee strength of over 100 people, the AMC has already opened 35 branches across the country and has tied up with 3,700 distributors to sell its MF products. By the year-end, the distributor network is expected to hit 10,000.

Meantime, First India Credit, which began operations four months ago, is targeting the mass market, specifically the lower middle and middle salaried class. Temasek's AFH has a strong presence in the Asian markets like Indonesia, Taiwan and

Pakistan as a bank. Restrictions by the Reserve Bank of India on banking ventures would have persuaded AFH to take the NBFC route into India. AFH has met with a fair degree of success in targeting small and medium enterprises as well as mass consumers in Indonesia through its investment in the Bank of Danamon (AFH through a JV with Deutsche Bank has a 66 per cent stake in the bank), and it might well be looking to replicate that model in India via the NBFC. Led by a former Citibanker G.S. Sundararajan, First India Credit has roped in Raj Raman of Prudential ICICI AMC and Smita Aggarwal of ICICI Bank for the retail segment. The current employee strength of the NBFC stands at 400 people. It has bought an 80 per cent stake in the Chennai-based Dove Financial. Currently present in 12 locations and 20 branches, the NBFC has plans to open nearly 700 branches in the next one year in India. Temasek should be impressed.

MAHESH NAYAK

The Party Continues

The first flush of results for the June quarter don't disappoint.

IF THE STOCK MARKETS ARE subdued—perilously close to sinking below the 10K level at the time of writing—you can blame it on a number of factors, ranging from a sudden disenchantment of foreign investors with emerging markets to escalating tensions in the Middle East. What you can't blame for the bearish mood on Dalal Street is the corporate performance by India Inc. for the first quarter of 2006-07, ended June 30. The first flush of report cards—of 335 new as well as old economy companies—reveals bumper numbers. Net profits are up sharply by 38 per cent over the previous year's corresponding period for this sample of companies. Net sales aren't much far behind, surging by 32 per cent. On a sequential quarter basis, net profits surged by 6 per cent, and net sales 2 per cent over the March ended quarter. (One caveat: It's usually the better performers that release their results first, so by the time all numbers are in, the sales and profits growth numbers will be lower by a few percentage points.)

Says Rajat Rajgarhia, Head (Institutional Research), Motilal Oswal Securities: "Most companies have either met or exceeded expectations. Following an impressive first quarter performance we will be upgrading our 2007 earnings estimates." For Sensex companies, the brokerage had earlier estimated a 26 per growth in net profits for the entire year.

Operating margins, however, have been under pressure. This has been thanks to higher expenditure on power (up 7 per cent over the previous year's corresponding period), marketing expenses (up 24 per cent) and freight expenses (up 36 per cent). Rising crude oil prices and commodity prices have also played their part in lower operating profit margins, which were down by 30 basis points to 29.57 per cent over 2005-06's April-June period. At the net level, though, margins have improved by 57 basis points, to 13.6 per cent. Meantime, the hikes in interest rates globally have caught up with Indian companies, which showed a 30 per cent surge in their interest costs.

The sector that's the star of the show is clearly it services, with bellwether Infosys posting a 19 per cent growth in profits year-on-year (consolidated), and an impressive 15 per cent sequential jump in consolidated revenues (as against guidance of 6-7 per cent). However, wage hikes did bring down profit margins by 2.2 per cent, to 29.5 per cent over the March quarter. The good news is that Infosys has revised its guidance for the whole year, from Rs 12,254-12,446 crore to Rs 13,350-13,400 crore. Says R. Sreesankar, Head (Research), IL&FS Investsmart: "Rupee depreciation has helped the IT companies to offset the wage hikes."

MAHESH NAYAK

THE GROWTH STORY SUSTAINS

COMPANIES (335)	JUNE '06	JUNE '05	(%) CHANGE (Y-O-Y)	MARCH '06	(%) CHANGE Q-O-Q
Net Sales	1,14,899	87,047	32	1,12,621	2
Other Income	3,541	2,879	23	4,482	-21
Expenditure	85,626	64,322	33	86,679	-1
Operating Profit	33,975	26,001	31	31,208	9
Interest	9,034	6,971	30	7,660	18
PBDT	24,941	19,030	31	23,548	6
Depreciation	3,293	3,147	5	3,444	-4
PBT	20,403	14,994	36	18,814	8
Tax	4,775	3,651	31	4,078	17
PAT	15,628	11,343	38	14,736	6
			DIFFERENCE Y-O-Y		DIFFERENCE Q-O-Q
OPM (%)	**29.57**	**29.87**	**-0.30**	**27.71**	**1.86**
NPM (%)	**13.60**	**13.03**	**0.57**	**13.08**	**0.52**

Figures in Rs crore — Source: CMIE

Retail Overtures

Will Wal-Mart ally with DLF and Reliance Industries?

WAL-MART MAY BE THE WORLD'S largest multi-brand retailer, but if it has to enter India it needs to sew up a few alliances. Current regulations permit only single-brand retailers to take up to 51 per cent in a joint venture operation with a local partner. Whether Wal-Mart will take the JV route is not clear, but what is slightly more certain is that Wal-Mart has begun doing the groundwork for other alliances as various Indian companies reportedly pitch themselves to win the retail giant's confidence. Some reports say that real estate major DLF Universal is in talks with the US retailer to be its franchisee in India to develop over 100 malls in 60 cities over the next four to five years. According to reports, Wal-Mart stores could be located either in DLF's malls or be standalone structures. While DLF will own the stores, Wal-Mart would take care of the backend and other logistics.

Meantime, industry insiders also reveal Wal-Mart is interested in partnering Mukesh Ambani's Reliance Industries Ltd (RIL) in the area of logistics. They point out that Wal-Mart is eyeing RIL for sourcing items such as fresh fruits and vegetables, as well as for transportation across the length and breadth of the country. RIL is readying a 40-plane air cargo fleet for its own logistical needs and this could serve Wal-Mart's purpose as well.

Wal-Mart, meanwhile, has appointed management consultant McKinsey & Co to help find a suitable partner or several of them for its India operations. On being asked about its India plans with DLF and others, Beth Keck, Director, International Corporate Affairs, Wal-Mart International, says: "We cannot comment on market rumours such as this." DLF refuses to comment as it has lined up an initial public offering.

AMIT MUKHERJEE

Buying Binge

When in doubt place more orders for planes.

AFTER LAST YEAR'S $13 BILLION splurge at the Paris air show and another couple of billion gone into further orders at the Dubai and Singapore exhibitions, the Indian aviation sector was expected to take it easy at the biggest air-show this year at Farnborough in the UK. But last fortnight, when Airbus sent out a press release, congratulating the Wadia group-promoted GoAir for buying 10 more A320 aircraft at an estimated list price of $600 million (Rs 2,820 crore), it became clear that the buying binge had in fact only just begun. Kingfisher Airlines' top honcho Vijay Mallya too was on a signing spree ensuring that Airbus put an A320 in Kingfisher colours on display at the show. For good measure, the UB group Chairman also ordered $400 million (Rs 1,880 crore) worth of engines from Pratt & Whitney and booked three full-flight simulators for $24 million (Rs 112.8 crore). Mallya reportedly is also keen to buy the all-business transatlantic carrier MAXjet. And then there was Flyington Freighters' audacious $1 billion (Rs 4,700 crore) order for four Boeing 777 Freighters.

At a time when the listed airlines companies are being hammered on the markets can the Indian market sustain so many aircraft orders? "Yes," says an extremely bullish Nikhil Garg, Aviation Analyst, Edelweiss Securities. "The Indian market can grow to four times its current size in four-five years, and towards the low-cost side there is significant room for growth." By these estimates, the Indian domestic fleet (aircraft used specifically for domestic operations) will grow from around 200 today, to about 800 by 2011-12. The orders placed in the last 24 months (excluding Air-India's $8 billion or Rs 37,600 crore order) would result in 300 aircraft flying the Indian skies. "I think there are going to be far more orders from both start-up and established domestic carriers going forward," Garg adds.

Airbus may have little reason to complain, but competitor Boeing has a slightly different view. Speaking from Farnborough, Dinesh Keskar, Senior Vice-President, Boeing Commercial Aircraft, spoke out against the

SOUMIK KAR

GoAir's Wadia: Acquiring for growth

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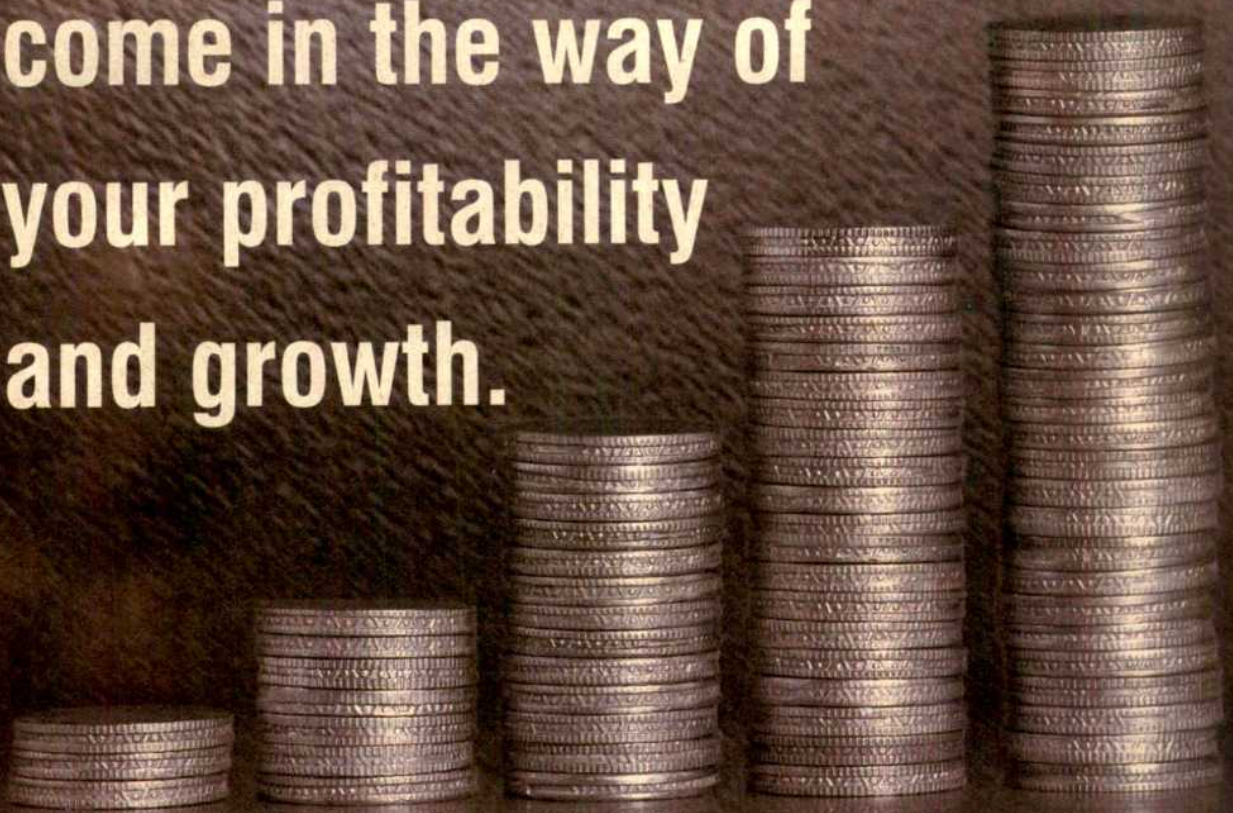

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massive growth in the Indian domestic market. "Don't think I'm not bullish, I still believe the Indian market can grow at 20 per cent annually. But more than adequate aircraft have been ordered keeping that sort of growth in mind. There are significant pressures on Indian carriers, not the least of which are the rising oil costs, increased people costs and rising lease rentals. Market penetration can only happen when you have cheap tickets, but with prices rising how cheap can you keep the tickets," wonders Keskar. Now whether that's a voice of reason or that of a tetchy competitor is for you to decide.

KUSHAN MITRA

Flyington Who?

An airfreight wannabe places a billion dollar order for aircraft.

LAST YEAR AT THE PARIS AIR-SHOW, the question everybody was asking was: "Who are IndiGo?" Today, with their first plane painted and ready for delivery at Tolouse, nobody is asking that question anymore. Primarily because the new question-mark in the Indian aviation community surrounds the mysterious 'Flyington Freighters,' that placed a $1 billion (Rs 4,700 crore) order for four Boeing 777LR Freighters.

The promoters of the freight carrier are the same as promoters of the Deccan Chronicle group. When *Business Today* tried to contact T. Venkatram Reddy, Chairman, Deccan Chronicle Holdings, it was informed that he was still at the air show. According to sources, the Boeing aircraft will arrive starting 2009, but the company hopes to begin operations this year with three leased Airbus A300 aircraft.

Says Nikhil Garg, aviation analyst, Edelweiss Capital: "Globally freight is a fast-growing market, and many Indian corporates have spoken about entering this segment. But it seems Flyington is the first to put money on the table." "There are no Indian carriers in the market, and Flyington will do well," adds Dinesh Keskar, Senior Vice-President, Boeing Commercial Aircraft.

KUSHAN MITRA

In Search Of Accolades

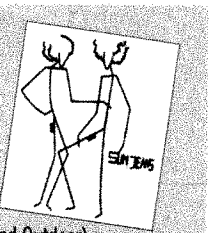
JWT has consciously decided to win more awards.

IT WASN'T JUST A CHANCE VICTORY. A lot of planning went into JWT India winning two Gold Lions at the recently-concluded Cannes Lions International Advertising Festival. And for the record, the agency has also won more than two dozen other popular awards at the New York Festival, ABBY, AAAI and Clio, to name a few. "We took a conscious decision to try and win more awards when the agency was restructured last year," says Rohit Ohri, Senior Vice President, JWT Delhi. The agency's Chief Executive Officer, Colvyn Harris, explains: "We realised that while we were focussed on clients' work, we hadn't paid much attention to our own brand management and communication." So, the agency rebranded (its name was changed to JWT from J. Walter Thompson in late 2004) and restructured itself and put in place processes to track growth; along with these measures, it decided to boost its own brand perception by proactively undertaking creative work that would win accolades from peers and awards at festivals (some of such work has limited release and is largely focussed at winning awards).

Indeed, Ogilvy & Mather (O&M), JWT's sister agency (both are part of Sir Martin Sorrell's WPP Group), has had a better record of winning awards. This has led to a perception that the creative output of O&M, and some other agencies like McCann Erickson, was better than JWT's. Harris strongly refutes this. "Our line-up of clients is like a blue-chip portfolio of a shrewd investor. We handle the biggest brands in most product categories, like Lux, Sunsilk, Pepsi, FritoLay, HPCL, Nestle and Hero Honda. Most of these clients have been with us for 15 to 75 years," he says, adding: "First, no other agency can claim such long relationships with its

ON A WINNING SPREE...

Some of the big awards won by JWT this year...



CANNES LIONS ADVERTISING FESTIVAL
GOLD: Levis Slim Jeans (Print)

ABBY:
GOLD: Kurkure (Promo), Levis Slim Figure (Print), Indian Red Cross (Print and Outdoor)
SILVER: Mirinda (TVC), Times Of India (Print), Levis Slim (Campaign of the year)

AAI
GOLD: Apollo Tubeless Tyre (Outdoor), Red Cross (Print)
SILVER: Sunsilk (Best Print Photography)
BRONZE: Van Heusen (Outdoor), Spice Telecom (Radio Spot)

UMESH GOSWAMI

JWT's Harris: A brand in the making

clients; and secondly, no client will stay with an agency for so long if it isn't happy with its work." JWT claims that repeated analyses done by clients and the agency itself have shown that JWT's work has boosted clients' business. "It's just a perception that our creatives are weaker than those of others. To address this issue, we decided to create some positive buzz around ourselves," says Ohri, asking: "And what better way to do this than winning awards?"

JWT's rivals in the industry argue that this dual creative strategy may not work in the longer term. Many in the industry, in fact, have been quite vocal in opposing this trend and have dubbed it an "ad scam". "Isn't it a little contradictory to presume that a good creative work that can boost clients' business can't win awards and that to win awards, one has to do different work?" asks Piyush Pandey, Executive Chairman and National Creative Director, O&M. "Our work on Cadbury's, Asian Paints, Perfetti and Pidilite that won us awards was done for the common consumers and not for (an) award jury," he adds.

Clients, however, don't mind. For them, anything that creates a positive buzz around their brand is welcome. Says Suman Chatterjee, Country Head, Levis India: "If the brand is featured in the campaign in a way that boosts its attributes and appeal, then it is a win-win strategy for both the agency and the client." He says that the much-talked about Levis Slim Jeans print campaign that won many awards this year did exactly that.

Harris, meanwhile, insists that he won't be relying only on award-winning creatives to grow. "We have set ourselves ambitious growth targets. We are also making our creative team more accountable for its work," he says adding that JWT has grown over 10 per cent over the past three-four years and hopes to continue this momentum. "We are the third biggest JWT division globally, after North America and the UK," he adds. According to estimates, JWT's global revenues stood at around $1.3 billion (Rs 5,720 crore) in 2005 and India contributed around $45 million (Rs 198 crore) to it. "We are the market leaders and our new orientation is to ensure that we remain that way," asserts Harris.

ARCHNA SHUKLA

Big Wheels

If Tata has Daewoo, Ashok Leyland may soon have Avia.

HOW'S THIS FOR A QUIRK OF fate: Daewoo Commercial Vehicle Co acquires Czech truck maker Avia at the turn of the century. The Korean company goes bankrupt in 2003. India's #1 CV maker Tata Motors takes it over, to form Tata-Daewoo. Meantime an asset restructuring company buys out Avia. Last fortnight India's #2 CV company Ashok Leyland signs up to buy Avia's Prague-based truck business.

Leyland officials point out that the sale is subject to conditions as well as corporate and statutory approvals. The valuation and acquisition price hadn't yet been finalised at the time of writing. If the deal does go through (and there's little to suggest it won't), Leyland gets a footprint in Central and Eastern Europe as well as good cabin technology and a platform for light CVs. Avia is also known to be fuel efficient, giving 18 miles per gallon of diesel as against the global average of 15 miles. And as R. Seshasayee, Managing Director, Ashok Leyland, points out: "Ashok Leyland will also look to launch some of its new-gen vehicles from Avia."

Ashok Leyland currently uses the cabin design of the Cargo (from the Iveco stable and which has been phased out along with the relationship) in its E Comet range between 7.5 tonne and 14.5 tonne. The Avia's D Series, a parallel range, is between 6 tonne and 12 tonne (although the price starts from Rs 18 lakh in Indian currency as against just Rs 6 lakh for the E Comet). Goodbye Iveco, hello Avia?

Ashok Leyland's Seshasayee: Riding on a serious makeover plan

NITYA VARADARAJAN

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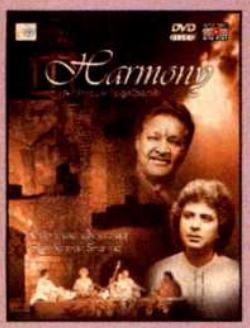

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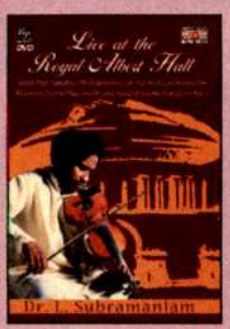

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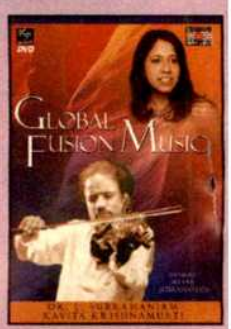

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Predators At The Gate

Are foreign banks just investors in their Indian counterparts?

SOUMIK KAR

ICICI Bank's Kamath: Not a time to worry

IF AMERICAN BANKING GOLIATH Citigroup owns 12.3 per cent of housing finance major HDFC, which in turn holds 22 per cent of HDFC Bank's equity, and if 9 per cent of ICICI Bank's equity is held by a financial investor (Temasek Holdings of Singapore), should Messrs Aditya Puri and K.V. Kamath be worried? Maybe not; the heads of HDFC Bank (Puri) and ICICI Bank (Kamath) can rest assured that regulations today do not allow foreign banks to acquire or merge with their Indian private sector counterparts. Currently, banks (foreign or Indian) can buy only up to 5 per cent in other banks, and non-banking entities can go up to 10 per cent. However, come 2009, there's a fair chance that such alliances and takeovers will gain ground, if the Reserve Bank of India (RBI) sticks to its roadmap of permitting such consolidation in the banking sector.

It's this prospect of action three years down the line that has head honchos at foreign banks rubbing their hands in glee. For instance, Barclays Bank of the UK recently picked up a 4.5 per cent stake in UTI Bank (which follows HSBC's acquisition of 14.62 per cent via two transactions; that number came down to 12.18 per cent following a GDR issue last March; HSBC had to subsequently bring its stake down to 4.99 per cent to comply with RBI norms). Barclays for its part is pretty clear about its longer term objective. "There is a possibility that the market may open up after 2009 and we want to ensure that we are well placed to take advantage of opportunities should this happen," says Robert Morrice, Chief Executive, Barclays Asia-Pacific.

Barclays may not be the only bank thinking that way (see *A Foot in the Door*). Already six private sector banks have foreign banks as shareholders with an over 1 per cent stake. And don't forget there will doubtless be a string of foreign banks eyeing Temasek's holding

A FOOT IN THE DOOR

Foreign banks are picking up stakes in Indian private banks.

	INDIAN BANK/INSTITUTION	FOREIGN BANK	STAKE (%)
1a	YES Bank	Rabo Bank	4.99
1b	YES Bank	Citigroup	7.41
2a	UTI Bank	HSBC Financial Services (Middle-East)	4.99
2b	UTI Bank	Barclays Capital (Mauritius)	4.98
3	Oriental Bank of Commerce	ABN AMRO Bank NV (London Branch)	1.39
4	IndusInd Bank	ABN AMRO Bank NV (London Branch)	1.27
5	ICICI Bank	Temasek	9
6	HDFC	Citigroup	12.3
7	Centurion Bank of Punjab	Citigroup	4.09
8	HDFC Bank	DBS Bank	3.71
9	Canara Bank	ABN AMRO Bank NV (London Branch)	1.48

Note: Equity Stake as on March 31, 2006; Citigroup's 7.41 per cent stake in YES Bank is via its venture capital arm Source: CMIE; Citibank

A Con Job In The Making?

Bogus muster rolls may derail a rural employment scheme.

IS THE NATIONAL RURAL EMPLOYment Guarantee Act 2005, made operational in 200 districts across the nation from February 2, 2006, proving to be a leaking bucket—and a sizeable one at that? Till date Rs 6,742 crore has been released via this scheme, and 2.12 crore job cards issued. The Act gives legal guarantee of 100 days of wage employment in a financial year to adult members of a rural household who demand employment and are willing to do manual work. However, scattered reports of mismanagement have already started emanating from some of these most backward districts where the scheme is being implemented in the first phase. In Madhya Pradesh, for instance, job cards were issued to people on the basis of the voter list which included the civil servants, among others. Says Rural Development minister Raghuvansh Prasad Singh: "The biggest challenge is ensuring that the muster roll is not bogus. If properly implemented this will change the rural landscape of the country." That's a big if.

SHALINI S. DAGAR

in ICICI Bank.

For the moment, though, most of these banks would be content to remain financial investors, as the very prospect of hectic activity by 2009 should result in an appreciation in their holding. Says H.N. Sinor, CEO, Indian Banks' Association: "Value investors who are ready to wait for two-three years will find a huge upside in bank stocks." HSBC prefers to look at its acquisition of shares in UTI Bank as a pure investment, and officials at the bank point to the neat killing it made when it sold 7.19 per cent in the Indian private bank earlier this year (it had to do so to fall in line with RBI norms). HSBC sold its stake at Rs 318.61 per share (originally bought at Rs 90 a share in June 2004). The original price tag for 14.62 per cent works out to $67.2 million (Rs 302.4 crore). When it finally sold 7.19 per cent in February, it pocketed a cool $142 million (Rs 639 crore). With such gains there for the taking—coupled with uncertainty surrounding the 2009 roadmap—don't be surprised if many foreign banks bid adieu much before 2009.

MAHESH NAYAK

Heavy, Heavy Fuel

Auto sales are growing, but so are input costs.

MOST CEOS WOULD SETTLE FOR a 22 per cent spurt in the top line quarter on quarter. For Pawan Kant Munjal, CEO, Hero Honda Motors Ltd (HHML), however, selling 803,000 motorcycles in the quarter ended June—as against 658,000 in the previous year's corresponding period—isn't quite reason for celebration. Reason? Input costs have eaten into margins; net operating margins of HHML are down to 13.5 per cent for the April-June period as against 16.1 per cent in the preceding quarter.

ISHAN TANKHA

HHML's Munjal: Not quite happy

The country's second-largest two-wheeler manufacturer Bajaj Auto Limited (BAL) has also announced shrinking operating margins—from 19 per cent in the January-March quarter to 16.1 per cent now. Both scrips were duly hammered on the stock exchanges.

"Raw material costs have increased significantly and keeping prices at their current levels might be difficult," Munjal told the media while announcing the results. Says Kalpesh Parekh, auto sector analyst at brokerage firm ASK Raymond James: "Manufacturers will have to focus on volume and value. The heady days of 18-20 per cent operating margins are gone, but even 13-16 per cent margins are not bad on the kind of volumes that these two companies see. Companies will have to play with their product mix and increased volumes can also imply more savings because of economies of scale."

KUSHAN MITRA

Citi Comes To Town

Foreign banks no longer fear to tread the hinterland.

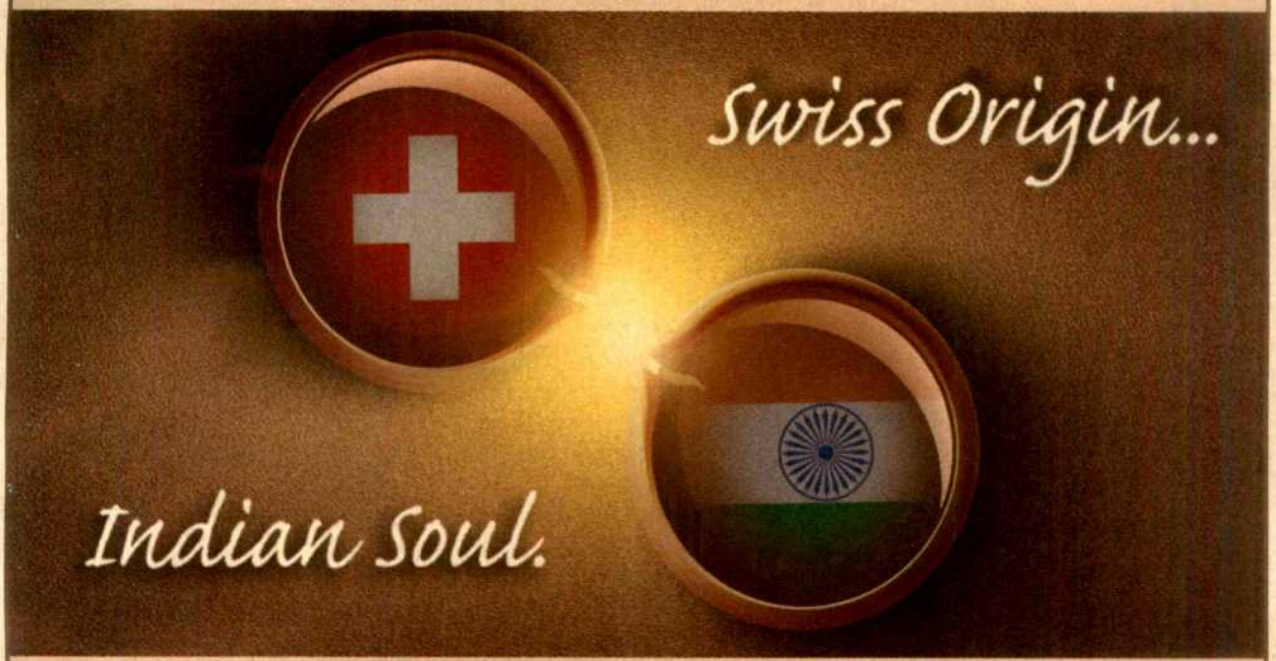
WHEN THE 153-YEAR-OLD Standard Chartered Bank recently decided it was time to foray into rural India, it pounced on a 15-member team of Barclays Bank in South Africa. For Stanchart, which has no agriculture-related operations globally, the acquisition was important as the Barclays team had done agriculture finance all along and had intimate knowledge of the agriculture value chain. The 15-member team is now busy writing the rural India strategy for the bank. Stanchart is expected to make a small beginning in four to six months, and ramp it up in 2007.

Meantime, in Citigroup's swank suburban headquarters, the theme is slightly different: It's wealth management, and the group is busy sewing together its India blueprint, right from the retail broking level. Elsewhere, at ABN AMRO, commodity trading and broking is the latest gap in the portfolio that is being plugged. HSBC is preparing to lend to the small & medium enteprises sector as well as flag off private banking. And Deutsche Bank plans to roll out the entire gamut of retail products over the next 2-3 years.

Five years ago, a foreign bank going rural would be unthinkable. Today, there are over two dozen foreign banks jostling for space in businesses traditonally regarded as 'untouchables'. As growth in developed economies nears saturation levels, it's emerging markets like China, Eastern Europe, Latin America and India that are the new growth engines. "Our strategy is to go down the pyramid and develop a much larger client base. In fact, as a bank today we are more local than foreign," says Sanjay Nayar, CEO, Citibank.

He's not the only one thinking

Entry of a finest Pharmaceutical Company in India.



Molekule GmbH – Global Presence

Molekule GmbH started its business operation in Switzerland with the mission of "listening" to the needs of a particular country of operation, "learning" the marketing needs of that country and "adapting" to the environment and policies to build brands across the globe through strategic brand building and customer focus.

Molekule GmbH is emerging as a global healthcare company specialized in the business of marketing and distribution of broad range of pharmaceutical and allied healthcare products with operation in several key markets of the world backed by manufacturing and marketing collaboration with respective companies in different countries across the globe in Eastern Europe, Canada, Latin America, Australia, New Zealand, South East Asia, Africa and GCC Countries.

Molekule GmbH – Now in India

Molekule GmbH is initiating its operation in India to build brands and exploit the potential of the Indian Pharmaceutical market. Molekule India is looking forward into inorganic growth through acquisitions of companies as well as large brands to be a major player in India. Molekule's Indian operation will also be its manufacturing hub for marketing its products in South Asian Regions.

Molekule India will have different operating principles and guidelines in a highly competitive but potential Indian Pharmaceutical market to create and nurture an island of excellence.

Molekule India welcomes strategic alliance or acquisitions of large brands or companies for its Indian operation

Contact : Country Head - Indian Operation at **info@molekulegmbh.com**

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AML Center-2, 3rd floor, Mahal Industrial Premises, Mahakali Caves Road, Andheri (East), Mumbai-400 093.

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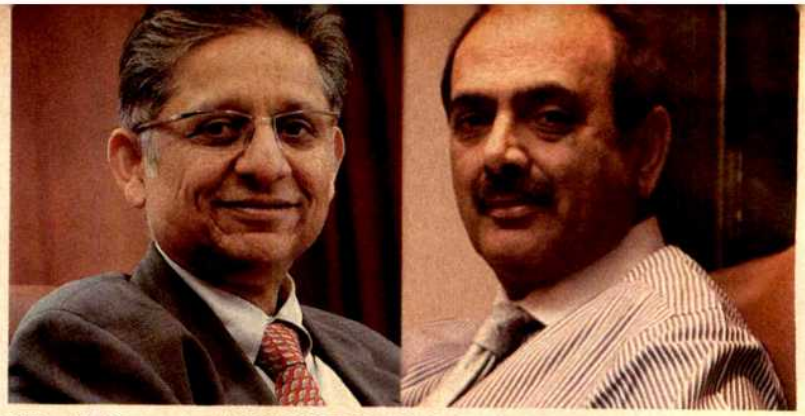
BIOQUITAS



Citibank's Sharma and ABN AMRO Bank's Sobti: Focussing to expand client base

mass. Standard Chartered's non-banking finance company (NBFC), which started operations in August 2005, has already set up 21 branches; the plan is to go up to 60 in the next 4-5 months. Amazingly the average ticket size of Stanchart's personal loans is just Rs 30,000-35,000, and it rarely goes above Rs 50,000. Awaiting an RBI licence for an NBFC is HSBC India, which is also eyeing the Rs 50,000-1 lakh consumer loan bracket. "Our top priority is financial inclusion and serving under-banked areas," says Naina Lal Kidwai, Country Head and CEO, HSBC India. On ABN AMRO's radar are smaller cities like Panipat, Nasik, Udaipur and Salem. Adds Neeraj Swaroop, CEO (India), Standard Chartered Bank: "The game is about who owns the customer."

Whilst on the one hand the game is about introducing more people to organised banking, it's also about ensuring that you don't lose a customer to a competitor because you don't provide a particular service. That's why almost every foreign bank is attempting to plug the gaps that exist in its portfolio. What's more, if banks do get into retail broking, they'd enjoy an edge over traditional broking firms. For, as Romesh Sobti, Country Executive (India), ABN AMRO Bank NA, points out: "People trust their bank the most. And if a multinational bank with a strong brand behind it comes calling, this factor comes more into play."

"We have superior research quality, tested asset allocation processes and risk management tools," claims Deepak Sharma, CEO (Global Wealth Management) at Citibank NA who is spearheading the wealth mananagement forays of Citigroup including retail broking. Clearly retail investors are a huge opportunity for the foreign banks, many of them are using their asset management companies (AMCs) as a vehicle for such forays. Traditionally a debt house, Standard Chartered AMC is now aggressively looking at equity business. ABN AMRO AMC is launching portfolio management services (PMS) via the mutual fund route. Deutsche Bank has brought in its most popular DWS brand for its asset management business in India. And Citibank is also eyeing commodities trading.

On the corporate side, the foreign banks which traditionally focussed on top 100 or 200 corporates are now focussing on the middle market. "Today, the needs of SMEs which are exposed to global markets are much more than working capital or trade financing," says Bala Swaminathan, co-head (wholesale banking) at Standard Chartered Bank. "Corporate clients today need intellectual capital and risk management solutions and advisory products," adds Gunit Chadha, Managing Director & CEO, Deutsche Bank India. Citibank today has an SME portfolio of over a billion dollars.

The race is not only for good assets; the foreign banks are equally gung ho about tapping the market for bad assets. "We are open to look at stressed retail portfolios as and when this category matures," discloses Chadha of Deutsche Bank. "We have experience in (retail) collections and we are looking at retail stressed assets. In fact, we do it in Korea, Japan and other countries," adds Citibank's Nayar. ABN AMRO is looking at a possibility of taking distressed assets onto its books, while Standard Chartered has signed a memorandum of understanding for an asset recovery JV with four banks (J&K, OBC, UBI and Central Bank) and also created an inhouse asset recovery division within the bank.

"Real estate will be a very large opportunity going forward. We are looking at the entire spectrum—lending, securitisation, equity investment and capital market. There are also opportunities in infrastructure financing, especially in the areas of ports, roads, power and SEZs," says Nayar. Citi and the rest of the foreign bank pack have their hands full for the next few years.

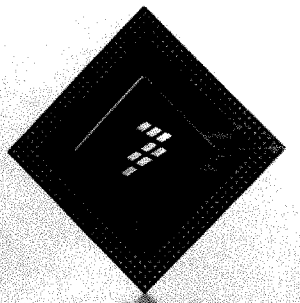
ANAND ADHIKARI

MANAGING MORE WEALTH

The foreign banks are getting into new businesses and also hitting the hinterland.

FOREIGN BANK	PLANS
ABN AMRO India	Retail broking kicked off; to start commodity trading and broking by December. NBFC (pending RBI approval) and asset recovery business on the anvil. Portfolio management services in the next 2 months
Citibank	Targeting small businesses; Citigroup Private Banking and retail broking to roll out soon; betting big on commodities and real estate
Standard Chartered	Retail broking, agri loans (ready with strategy), asset recovery just kicked off; NBFCs on expansion mode, project (infrastructure) finance to roll out soon
HSBC	Awaiting NBFC approval; targeting middle market
Deutsche Bank	Retail banking to expand in 2-3 years, credit card by second quarter, stressed assets and SME lending to come soon

Source: Banks



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Sahara's Property Play

Housing is turning out to be Subrata Roy's biggest gambit yet.

THESE MAY NOT BE THE BEST OF times for the Sahara India Pariwar, but the frenetic activity at one of the companies, Sahara Infrastructure & Housing, belies the theory that the conglomerate is fast sinking. As of April, the company claims to have acquired all of 20,000 acres of land. And it isn't stopping at that. Sunder Lal, Head of Sahara Infrastructure & Housing (who reports to Chairman Subrata Roy), says the target is 60,000 acres across 217 towns, in which the company will build its townships, under the banner of Sahara City Homes. The size of the townships will range between 100 and 360 acres. Sahara claims to have roped in reputed architects like Hafeez Contractor (who has designed the townships), as well as Bechtel, L&T and Otis for technical support.

Lal points out that the value of the land acquired so far (excluding the Amby Valley project in western India) would be roughly Rs 20,000 crore at today's prices, and the cost of acquisition would be much lower than half that amount—he's not giving the exact figure. What he's willing to say is that the total cost for acquiring 60,000 acres won't be more than Rs 18,000-20,000 crore. The math is doubtless intriguing, but even more is the source of all that money.

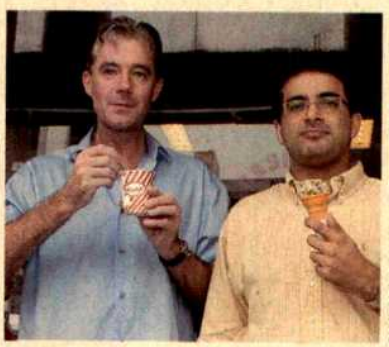
BRIAN CARVALHO

Big Appetite

Navis likes food, but won't live by it alone.

WITH $500 MILLION (RS 2,350 crore) under management, Navis is not by any stretch one of Asia's largest private equity (PE) funds. Yet, what sets the Malaysia-based PE firm apart from the rest in the region is its appetite for the food retailing business. In Asia it has invested in KFC in Hong Kong, Dunkin Donuts in Thailand and Dome Coffee, an Australasian restaurant chain. In mid-July, the mid-sized PE firm bought into Wendy's ice cream sundaes business in Australia. Such a hunger for food companies is evident in India too. Navis along with Samir Kuckreja recently made its third investment in the country by buying out north-India based fast food chain Nirula's for Rs 90 crore. Navis had earlier bought 74 per cent stake in two companies owned by Mumbai-based entrepreneur, Sanjay Narang—Sky Gourmet Catering, and Mars Hotels & Restaurants.

Last fortnight Nicholas R.H. Bloy, Director, Navis, visited Delhi to blueprint Nirula's future course with new Managing Director and part-owner Samir Kuckreja, nephew of erstwhile owner Lalit Nirula. Kuckreja owns under 10 per cent of Nirula's while Navis holds the rest. "Over the next three years Rs 100-150 crore will be spent on revitalising the chain," says Kuckreja, who has been common to Navis' investments in India. Prior to returning to Nirula's, Kuckreja headed Mars Hotels.



SAPTARSHI BISWAS

Navis' Bloy (left) & Nirula's Kuckreja: A palatable order

Navis' current average internal rate of return is 3.5-4.5 times the original equity cost. Bloy says Navis can pull this off because the partners themselves roll up their sleeves like typical entrepreneurs. "We are small in Asia, but we make more money than others do," quips Bloy.

For Navis, food is one of the most "empirically analysable business." Simply put, not only is it possible for Navis to link the profitability of an outlet to its location and its socio-economics, it is also possible for the firm to assess future profitability. "The range of uncertainty in any retail concept is much narrower than in say technology."

Then, Navis is not foraging only for food in India. Bloy is ready to invest up to $300 million (Rs 1,410 crore) over the next five years in India. "Any business related to consumer spending or even the light industrial sectors would be interesting." Navis is in talks with a packaging company and another that supplies storage tanks and pipelines, and expects to close at least one deal by 2006-end.

Exit options are clearly in sight. Navis likes to be present in segments where there is no dearth of multinational companies as buyers. A case in point is Drypers Malaysia. Navis bought the baby diaper company for $10 million, stayed with it for three years and then sold it to a Swedish multinational for $94 million. In the interim, Drypers rose from #3 in the market to top dog in South-East Asia in market share, beating Pampers and Huggies. Now which are the MNCs watching Nirula's and Mars?

SHALINI S. DAGAR

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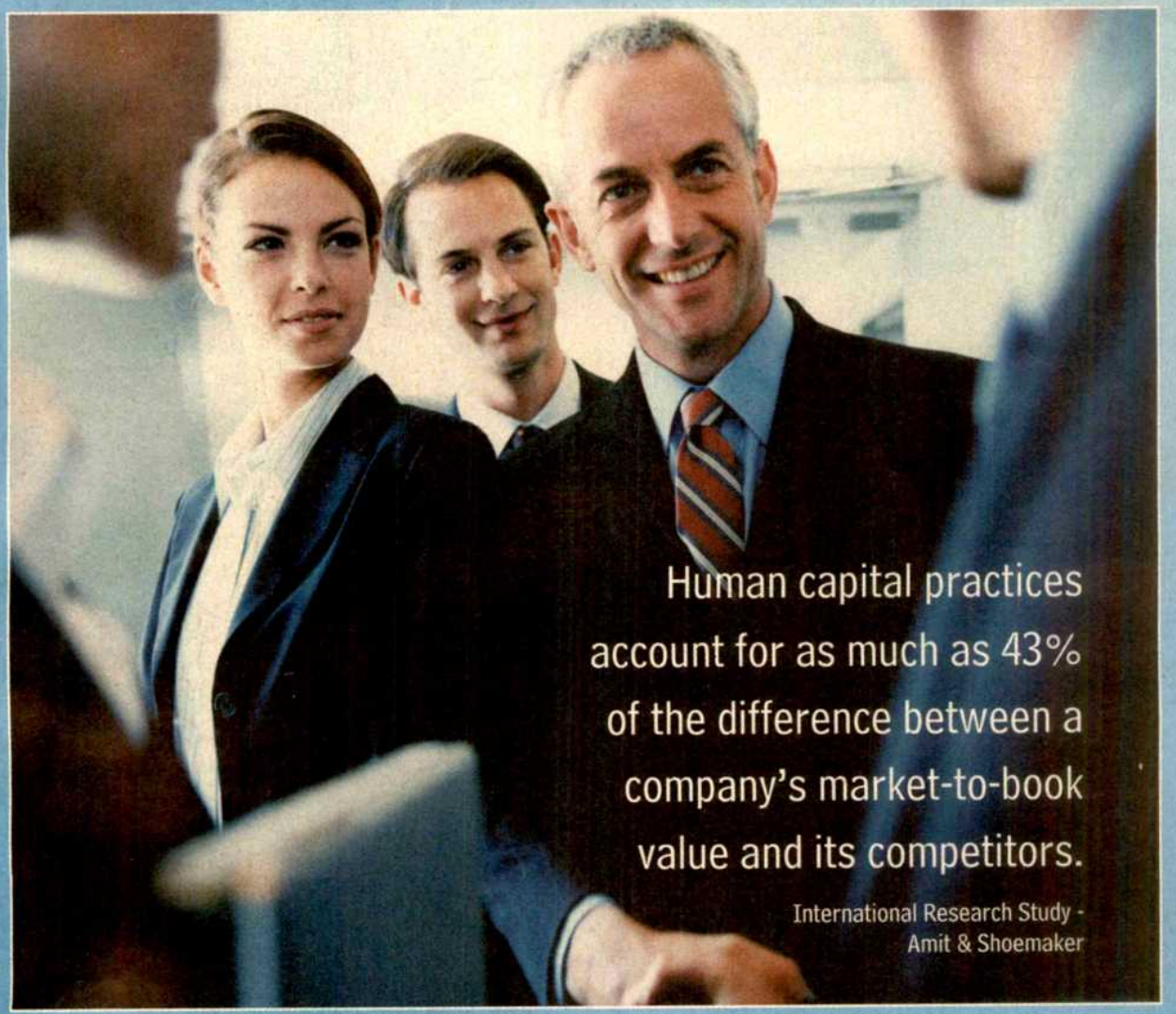

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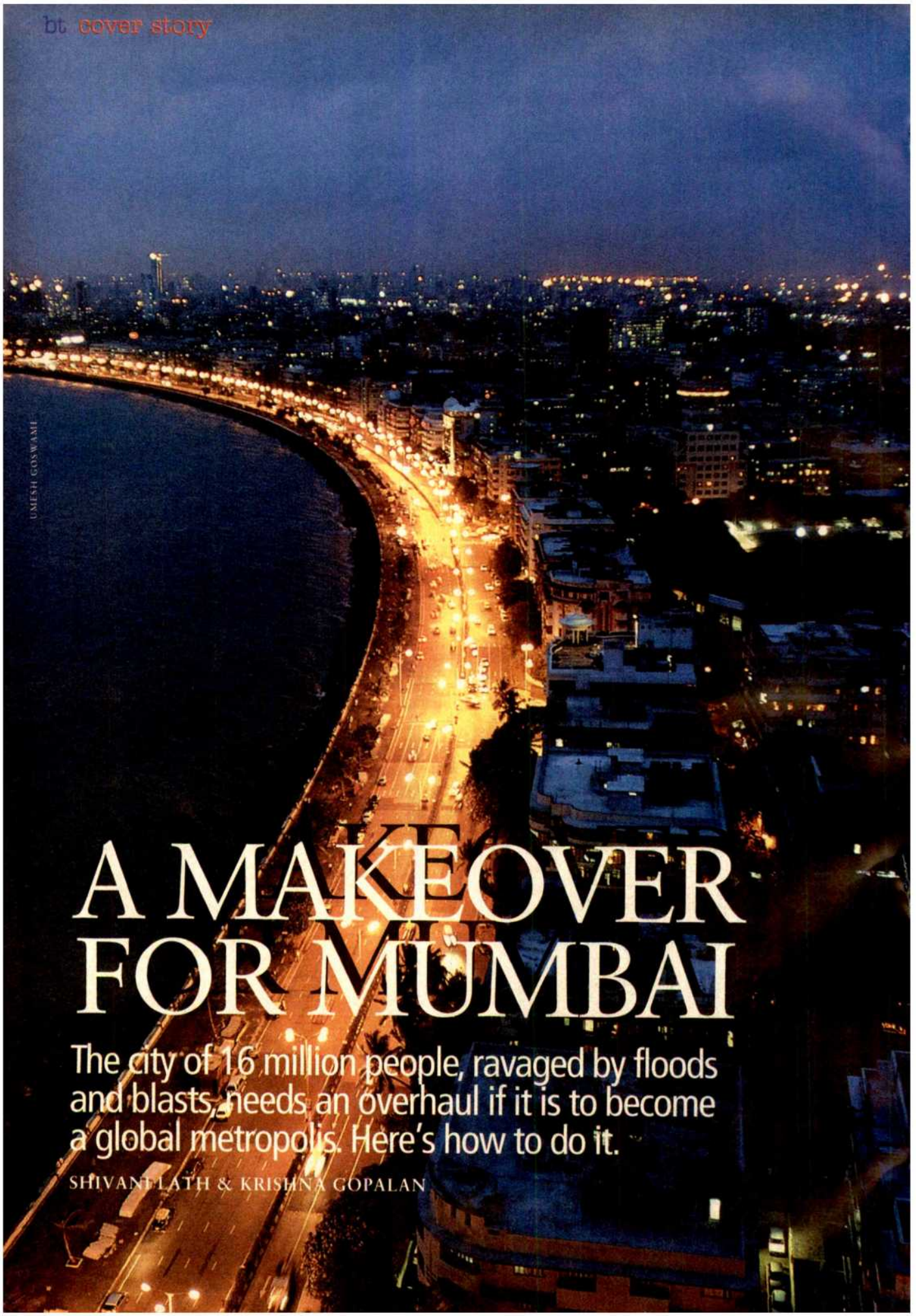


UMESH GOSWAMI

A MAKEOVER FOR MUMBAI

The city of 16 million people, ravaged by floods and blasts, needs an overhaul if it is to become a global metropolis. Here's how to do it.

SHIVANI LATH & KRISHNA GOPALAN

1 MUMBAI

IF YOU WERE ONE OF MUMBAI'S 16 MILLION (INCLUDING THE SUBURBS and extended surburbs) residents who faced nature's wrath on July 26, 2005, when virtually the entire city was submerged under nearly a metre of rainwater, you might have purchased this issue of *Business Today*, which votes Mumbai as the Best City for Business, to make paper boats of it. If you are one of Mumbai's 6.4 million who use the local train every day, and survived last fortnight's serial bomb blasts on the western rail route, you must be wondering how can a city be good for business when its dwellers flirt daily with death.

To validate Mumbai as a great city, one can easily fall back on that cliché that's been run threadbare in the past few weeks: Of the never-say-die spirit of the average Mumbaikar, who was back riding the local train 12 hours after the first bomb went off at 6.23 p.m. The truth is the average Mumbaikar can never afford to say die. For, she is just one of the faceless individuals that constitute the city's tireless mass of industry, powering key service sectors like banking, equities, law, accounting, consulting, media, education and information technology. It's these anonymous characters who play their part in helping Mumbai clear the largest number of cheques (at one time the figure was 10 times more than the second highest city), and who contribute to the trading volumes on the country's leading stock exchanges, BSE and NSE, which rival volumes of markets like Shanghai and Singapore on good days. Both the country's stock exchanges (as well as the commodities and bullion bourses) are of course in Mumbai, as are the country's largest banks and financial institutions. Virtually the entire mutual fund industry, with a total corpus of Rs 2.65 lakh crore is headquartered in Mumbai. "Importantly, Mumbai generates 40 per cent of the state's income and 70 per cent of the state's taxes. That's the kind of financial muscle that this area has," explains Sanjay G. Ubale, Secretary (Special Projects), Government of Maharashtra.

So as long as Mumbai—which accounts for a fifth of Maharashtra's population and just 0.14 per cent of its area—continues to be the engine of Indian economy and business (albeit overworked and underserviced), it will always be the land for dyed-in-the-wool patriarchs, migrant and wannabe entrepreneurs, deal makers, consultants, financiers, investors and punters to congregate on. Floods will come, but water will eventually recede; bombs will go off, but Mumbaikars will report to work. If they don't, industry will grind to a halt.

Their lives will too.

The challenge is to ensure the city keeps pace with the progress it generates. The administrators are failing miserably in that endeavour. Infrastructure is of course the biggest bugbear—peak hour train load is 5,100 per train, 2.8 times the capacity; the roads, on which 250 new cars drive out every day, offer little scope for widening (but enormous capacity for potholes); and of the 55,000 taxis, at least 30

MUMBAI FACT FILE

- FOUNDED: 1661 A.D.
- AREA: 431.71 sq. km
- POPULATION: 16 million#
- ROAD LENGTH: 1,941.17 km
- PUBLIC TRANSPORT: 3,400 buses, 2,500 train services, 55,000 taxis
- PEAK POLLUTION LEVELS: SO_2: 7 microgram/metre cube; SPM (suspended particulate matter): 122microgram/metre cube
- INDUSTRIAL LOAD SHEDDING: Nil*
- RESIDENTIAL LOAD SHEDDING: Nil*
- POWER TARIFF: Rs 3.25-5.25 per unit (industrial); Rs 0.75-3.25 per unit (residential)
- PIPED WATER SUPPLY: Four hours per day
- COMMUTING TIME: 1.5 hours by road from Nariman Point to Andheri (30 km)
- COST OF DOMESTIC HELP: Rs 500 a month
- COST OF PETROL: Rs 52.71/litre
- COMMERCIAL REAL ESTATE RATES: Rs 5,000-21,000/sq. ft
- RESIDENTIAL REAL ESTATE RATES: Rs 4,000-35,000/sq. ft
- TELEDENSITY: 600 per 1,000 people ^
- AVERAGE PER CAPITA WHITE COLLAR WAGES: JUNIOR MANAGER: Rs 3 lakh per annum MIDDLE MANAGER: Rs 13-15 lakh p.a. SENIOR MANAGER: Rs 40-45 lakh p.a.
- NUMBER OF MURDERS: 212 in 2005
- NUMBER OF TRAFFIC ACCIDENTS: 4,256 in 2005; No. of fatalities not available
- HEALTHCARE: 3.3 hospital beds per 1,000 people
- CONSUMER PRICE INDEX: 462**

Base Year 2001=100 ^ Includes Greater Mumbai
*Does not include unscheduled power cuts **May 2006
#Current estimates Source: BMC, market estimates

WANTED: RS 60,000 CRORE (AT LEAST)

LIKE ALL GOOD THINGS IN LIFE, MUMBAI'S PROPOSED MAKEOVER will call for money—lots of it. The most conservative estimate indicates the city will require a massive Rs 60,000 crore—that's about $13 billion—to fund various infrastructure projects. These include a gamut of activities in areas like sewerage, road development, trans-harbour links and housing. This figure is only for the region that is under the jurisdiction of the Municipal Corporation of Greater Mumbai (MCGM), and doesn't, for instance, include projects like the Rs 852-crore Thane ring railway. In fact, according to government estimates, the overall requirement for the Mumbai metropolitan region (which extends to Virar, Kalyan and Panvel on the outskirts) will tot up to a cool Rs 2,30,000 crore for the next 15 years. More projects, which don't currently figure in the Mumbai City Development Plan (CDP) 2005-25, are expected to be announced.

The projects on paper in CDP that will guzzle the most cash are the Rs 10,000-crore sewage disposal venture, the three-phase Mumbai Metro Rail (estimated cost: Rs 10,500 crore), the trans harbour link (Rs 4,028 crore), and housing and slum development, which includes the redevelopment of Asia's largest slum, Dharavi (Rs 12,400 crore).

Now where exactly is a funds-starved government going to raise so much money from? Whilst debt will be the obvious recourse for many projects like storm water drainage and water supply (at 8 per cent for 15 years), the laundry list of new projects clearly calls for big-time revenue-enhancing measures. "We believe it is possible for the state to raise this kind of money. Our quick calculations show that if we can put in that investment, the metropolitan region will start growing at the rate of 12 per cent per annum as against 6-7 per cent currently," explains Sanjay G. Ubale, Secretary (Special Projects), Government of Maharashtra. The state itself, through taxes, will generate Rs 3,00,000 crore cumulatively over the next 15 years, he says. How much of that stash will get rechannelised into Mumbai's development is of course anybody's guess.

per cent are over 15 years old. Flyovers and sea links are being built, but at an agonisingly slow pace (the Bandra-Worli sea link, initially expected to be ready by 2004, will hopefully become operational only by 2009, and work on a flyover on Peddar Road, conceived over five years ago, has yet to begin). "Infrastructure in Mumbai is 10 years behind what it should be," thinks UB Group Chairman Vijay Mallya.

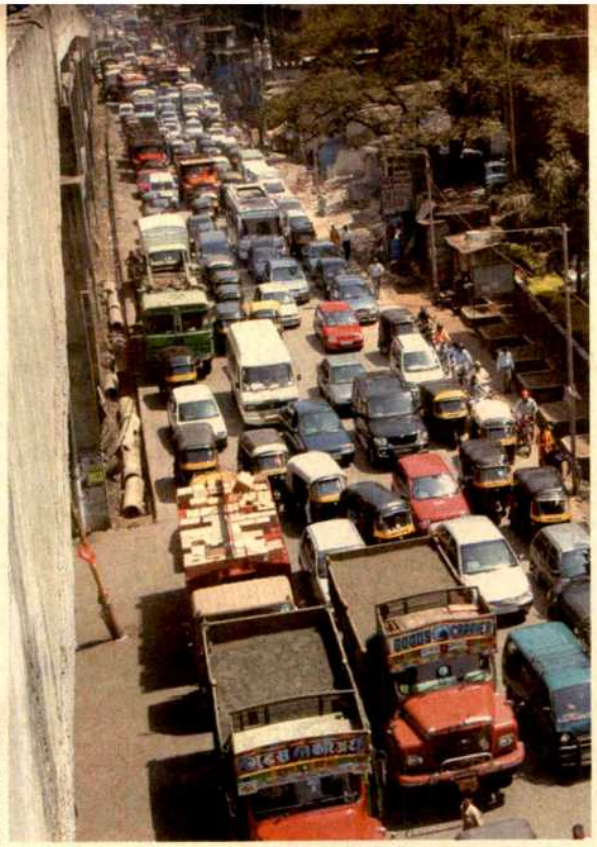
Two larger issues threaten Mumbai's dominance: One, the rising cost of doing business thanks largely to the spiralling cost of land juxtaposed against archaic land laws, which in turn make affordable housing for the masses a mirage. Two, the deteriorating quality of life, reflected in pigeonholes masquerading as homes and packed-out trains and buses throwing up people in the commercial districts. The short point: If the cost of doing business in Mumbai outweighs the benefits—some would argue that's already happened—and its army of skilled workers isn't able to enjoy a decent lifestyle, Mumbai can't retain its status as the best city for business.

BHASKAR PAUL

Washed out: Blame the old sewerage and drainage systems

The shorter point: If Mumbai has to retain its business houses, and those who work in them, and at the same time continue to be a magnet for investments, it has to transform into a world-class city. Vilasrao Deshmukh, Chief Minister of Maharashtra, is confident

No end in sight: The Bandra-Worli sea link project lingers on



BHASKAR PAUL

In a fix: Traffic jams such as these are a routine feature daily

it can be done. "Infrastructure is right on top of my priority list," says the CM.

Citizens Action Group

Say hello to the Central government's Jawaharlal Nehru National Urban Renewal Mission (JNNURM), which requires each city to have its own city development plan (CDP). Work on Mumbai's CDP began three years ago. It's now been institutionalised in the form of a Citizens Action Group, which has prominent industrialists like Anand Mahindra and Deepak Parekh as its members. Projects that are being implemented or are slated to be implemented include sewage disposal, storm water drainage, freeways, trans harbour links, mass-rapid transport systems, slum redevelopment, metro rail—in other words, the works (see *The Mumbai Blueprint*). The last of these projects (the last phase of sewage disposal) is expected to be completed by 2025, and the total cost estimated is a mind-boggling Rs 63,000 crore (that's seven times the annual profits of India's largest private sector corporation). The state government claims to have even more ambitious plans in the works for the next 15 years, which will call for an additional Rs 2,30,000 crore (yes, you read that right).

For the moment, the government is upbeat about the ambitious CDP blueprint. Ubale breaks up the proposed infrastructure creation into three categories: first, second and third generation. "The first generation will tackle basic issues of water supply, sewerage system and drainage in the city," he states. Then

INTERVIEW WITH
VILASRAO DESHMUKH
CHIEF MINISTER/ MAHARASHTRA

"Without Peace There Cannot Be Progress"

The Prime Minister wants Mumbai to become a world-class city. How is the state government planning to realise this dream?

Infrastructure in the city is poor and we have made it our top priority. With the help of the World Bank, we have initiated the Mumbai Urban Infrastructure Project (MUIP) and the Mumbai Urban Transport Project (MUTP) to create world-class infrastructure in the city. We have also submitted a proposal to the Government of India to improve the sewerage and drainage system in the city. The project will cost Rs 1,200 crore and once we get that amount, we will change the entire drainage system so that we can avoid the problem of flooding, which has become a regular feature every monsoon. Besides, we have started the metro rail project (half of Mumbai's population travels by local trains). We are also proposing waterways—the proposal is in the final stages and in the next two-three years, we will see hovercrafts in the sea. All these projects together will create very good infrastructure.

What is a fair time frame according to you?

In the next five years, you will be able to say, yes, lots of things have changed in Mumbai.

Does it worry you that there is so much to be done still?

We need a lot of money. We have submitted a proposal to the Central Government under the new Jawaharlal Nehru National Urban Renewal Mission (JNNURM) they have created. We are pleading with the Government of India saying 40 per cent of tax revenues go from this city, but the city does not get anything in return. But, thanks to the Prime Minister's attitude towards to city, the Planning Commission too is convinced that the city needs help to develop its infrastructure.

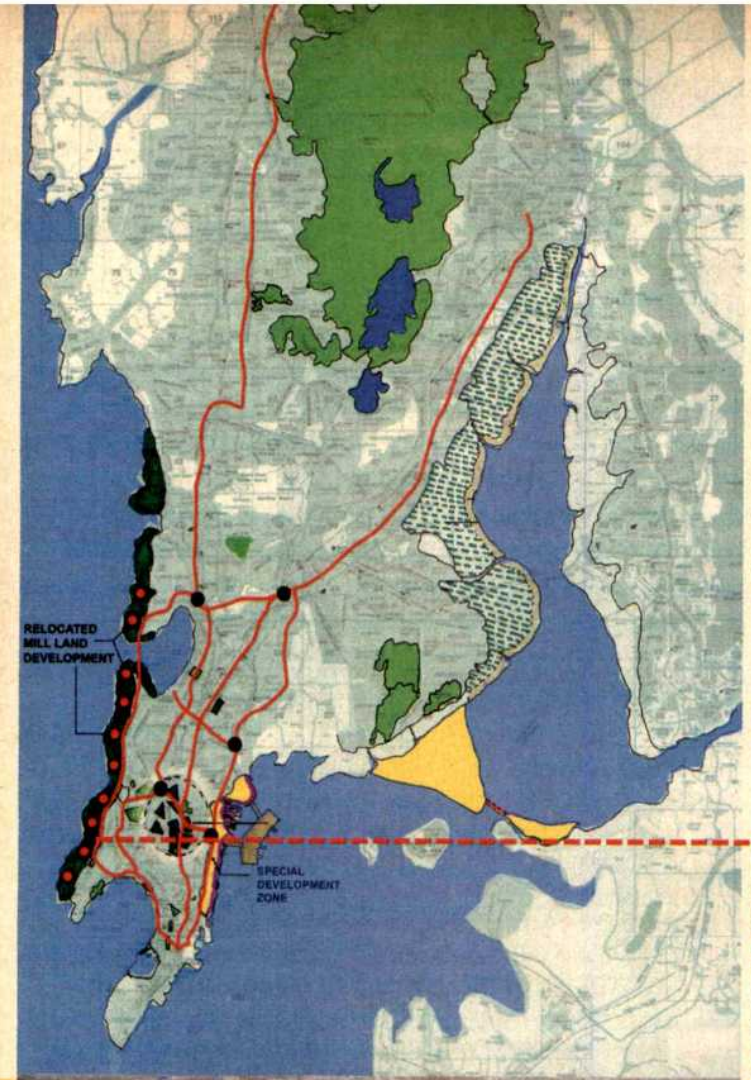
Last year's flood, last week's rains, then the bomb blasts. What is your biggest worry today?

We have to maintain law and order. Without peace, there cannot be progress. We cannot afford to lose the cosmopolitan nature of the city, or erode the spirit of the Mumbaikars.

The Mumbai Blueprint

The nuts and bolts of making Mumbai a city for the future.

Some of the suggestions put forth by architect **Hafeez Contractor** to transform Mumbai into a world-class city are boulevards along the city's seafront areas, and more open and green spaces. The ultimate dream is to transform Mumbai into a Sky City, with high-rise buildings where things like parking and recreation will be below ground level. The freeing up of 600 acres of mill land in **Central Mumbai** is expected to facilitate a large part of this development.



SOUMIK KAR

URBAN TRANSPORT

PROJECT	IMPLEMENTING AGENCY	ESTIMATED COST (RS CRORE)	INDICATIVE TIME FRAME
MUIP (ongoing)	MMRDA	2,647	2004-07
MUTP (ongoing)	MMRDA	4,024	2003-08
Municipal Roads Improvement Programme (ongoing)	MCGM	1,200	2005-10
Mumbai Metro Rail—phase I to III	MMRDA	10,500	2005-11
MUTP-II	MRVCL	3,700	2005-09
Western Freeway Project	MSRDC	3,900	2005-08
Mumbai Trans Harbour Link Project	MSRDC	4,028	2006-08
Bandra-Worli Sea Link (ongoing)	MSRDC	1,300	N.A.
Mass Rapid Transport System for metropolitan region (Thane ring railway)	TMC	852	2006-08
Urban Re-engineering of Sion-Panvel Highway (Expansion project)	MSRDC	700	2007-09

BHASKAR PAUL

SOUMIK KAR

CIVIC INFRASTRUCTURE: WORK IN PROGRESS

PROJECT	IMPLEMENTING AGENCY	ESTIMATED COST (RS CRORE)	INDICATIVE TIME FRAME
Storm Water Drainage Project	MCGM	1,800	2007-09
Middle Vaitarna water supply	MCGM	1,600	2007-12
Mumbai Sewage Disposal Project (in phases)*	MCGM	10,019	2006-25
Strengthening of distribution system for water supply	MCGM	500	2006-10
Solid waste management—development of sanitary landfills	MCGM	400	2006-09
Meethi River Development Project	MCGM/MMRDA	1,300	2006-11
* including slum sanitation			

FINANCIAL SERVICES

Financial services SEZ housing IFC	MCGM/GoM	To be determined	2006-11

HOUSING & SLUM DEVELOPMENT

Housing (Cessed buildings reconstruction)	MHADA	5,000	2006-11
Redevelopment of Dharavi	SRA/MHADA	7,400	2006-11
Other slums in Mumbai (Slumless Mumbai Project)	SRA	To be determined	n.a.

HEALTH AND EDUCATION INFRASTRUCTURE

Upgradation of KEM Hospital	MCGM	400	2006-09
Strengthening of health outposts	MCGM	50	2006-11
Modernisation of 16 peripheral hospitals	MCGM	50	2006-11
Education-Upgradation of municipal school infrastructure	MCGM	500	2006-10
Health City	MCGM	To be determined	n.a.

List is not exhaustive N.A.: Not available n.a.: Not applicable
MMRDA: Mumbai Metropolitan Region Development Authority; MCGM: Municipal Corporation of Greater Mumbai; MRVCL: Mumbai Rail Vikas Corporation Ltd; MSRDC: Maharashtra State Road Development Corporation; TMC: Thane Municipal Corporation; GoM: Government of Maharashtra; MHADA: Maharashtra Housing and Area Development Authority; SRA: Slum Rehabilitation Authority

THE SHANGHAI PIPE DREAM

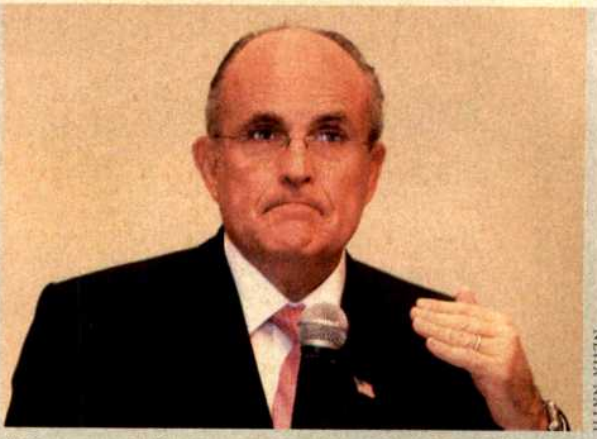
THE FUTILITY OF THE FRENETIC CLAMOUR TO TRANSFORM MUMBAI into a Shanghai becomes evident when you sit back and trace the genesis of this showpiece city. Shanghai wasn't built in a day. Neither was it built on empty promises and government rhetoric. In 1996, the Shanghai Urban Construction (Group) Corporation was established, an autonomous body that had the approval of the Shanghai Municipal Party Committee and the government, and the support of the Ministry of Construction. Amongst its subsidiaries are general contracting construction enterprises and design institutes. It's been the creation of such a corporation that's enabled the execution of some 150 projects in Shanghai. These include elevated roads, metro projects, sewerage treatment projects, trans-river tunnels, expressways, bridges, homes and the construction of Asia's largest immersed tunnel and China's first two-storied tunnel.

Cut now to Mumbai, with its ramshackle shanties, potholed highways, archaic sewers, haphazard infrastructure creation and confused governance. "One is always hopeful the city will become a Shanghai. It must be said that in the absence of will power and a firm leadership, it will remain a pipe dream," shrugs Sanjeev Aga, Managing Director, Aditya Birla Nuvo. The man at the helm, Chief Minister Deshmukh insists he has the resolve to transform Mumbai into a Shanghai. "I think the journey from Mumbai to Shanghai is quite short. Our priority is to plan for the next five years. We cannot plan for the next 20-30 years," he says. Perhaps the onus of crafting a long-term vision for the city shouldn't rest with governments any more. What is needed is an independent body on the lines of the Shanghai Urban Construction Corporation.

SORRY STATE

WHEN A COSMOPOLITAN CITY IS A VIVACIOUS INDUSTRIAL and commercial hub, is home to the country's stock markets and banking system, and owes its prosperity to a never-ending stream of enterprising migrants, should the Centre and the state (of Maharashtra) plunder most of the revenues it generates? Should Mumbai be held hostage by chauvinistic, vote-hungry politicians? That essentially is the argument in favour of conferring statehood on the city of Mumbai. This will channelise revenues generated by the city into creation of badly-needed affordable housing, roads and highways, and modern drainage and sewerage systems—tasks a near-bankrupt state government is finding impossible to come to terms with. The flip side of this argument is that Mumbai needs the hinterland of Maharashtra as much as the rural folk need the city—in terms of natural and human resources in the main. So, Mumbai needs to give back to the state, and indeed the country, as much as it takes from it. So, the city should remain a part of the Maharashtra.

Perhaps a more pragmatic alternative to statehood is a single point of control and accountability for the city—a CEO for Mumbai Corp., much on the lines of Zhu Rongji, a former mayor of Shanghai (who went on to become China's Prime Minister), and Rudy Guiliani, a former mayor of New York City. "The world's major cities have a mayor who is very powerful, but in Mumbai, there is no one person in charge. The governance structure has to change for Mumbai to become a world-class city," says Adi Godrej, Chairman, Godrej Group.



NEHA NATH

CEO wanted: Like former NY mayor Rudolph Guiliani

there are the Rs 4,024-crore Mumbai Urban Transport Project (MUTP), scheduled for completion by 2008, and the Rs 2,647-crore Mumbai Urban Infrastructure Project (MUIP), expected to be ready by next year. MUIP seeks to improve existing roads and railway connectivity between East and West Mumbai. MUTP's focus is on reducing peak time congestion on the suburban trains. "The peak time congestion on trains will be reduced from 5,100 to 3,600 in the first phase to 2,500 in the second phase," adds Ubale.

Also playing its part in Mumbai's makeover will be two special economic zones (SEZs) on the outskirts, covering 14,000 hectares, slated for completion in 10 years, expected to house 10 lakh people, and provide 25 lakh jobs. Reliance Industries, one of the investors in the project, is developing the infrastructure for the projects for which its total outgo will be Rs 25,000 crore. The SEZ project is welcome not just from the infrastructure-creation point of view, but also because it will go a long way in decongesting the city. This in turn will help alleviate the problem of housing—the average size of a Mumbaikar's home is 120 sq. ft. Asks prominent architect Hafeez Contractor: "In Mumbai, are we paying the price for the product (an apartment, for example) or are we paying for its scarcity?" The development of satellite townships on the outskirts and the creation of three commercial districts (Bandra-Kurla and Navi Mumbai, in addition to Nariman Point) are doubtless a godsend. Yet the relentless search for space goes on; as the CM points out, 350 families enter the city every day. Most of them end up in the ghettos. "We cannot ignore the people living in the slums. Without their contribution, the city would not be what it is today," says Deshmukh. Brave words those, which need to backed by even braver action. Consider Dharavi, which occupies 535 acres, and adjoins the plush Bandra-Kurla Complex (BKC). Pranay Vakil, Chairman, Knight Frank, a property consultancy, says prices around BKC will come down if the land in Dharavi is "opened up". Some 60 per cent of Mumbaikars live in slums. Rehabilitation and redevelopment has begun. Says Ubale: "In the first phase of the MUIP and MUTP projects, we are relocating 58,000 people and we will be constructing new houses for them. Slum rehabilitation will form a key part of the infrastructure process."

Storm water drainage, trans harbour links, mass rapid transport systems, metro rails, freeways—the ingredients required to transform Mumbai into a world-class city have all been identified. However, a still incomplete 6.5-km sea link over the Arabian Sea between Bandra and Worli best illustrates Mumbai's current plight. There's plenty of good fortune that lies at the end of the bridge (commuters will save at least 20 minutes and breathe fewer pollutants). But how long it will take to get there is proving to be one of life's most critical questions for Mumbaikars, whose patience is rapidly wearing thin. The day that patience runs out could well coincide with Mumbai bidding goodbye to its status as India's Best City for Business. ■

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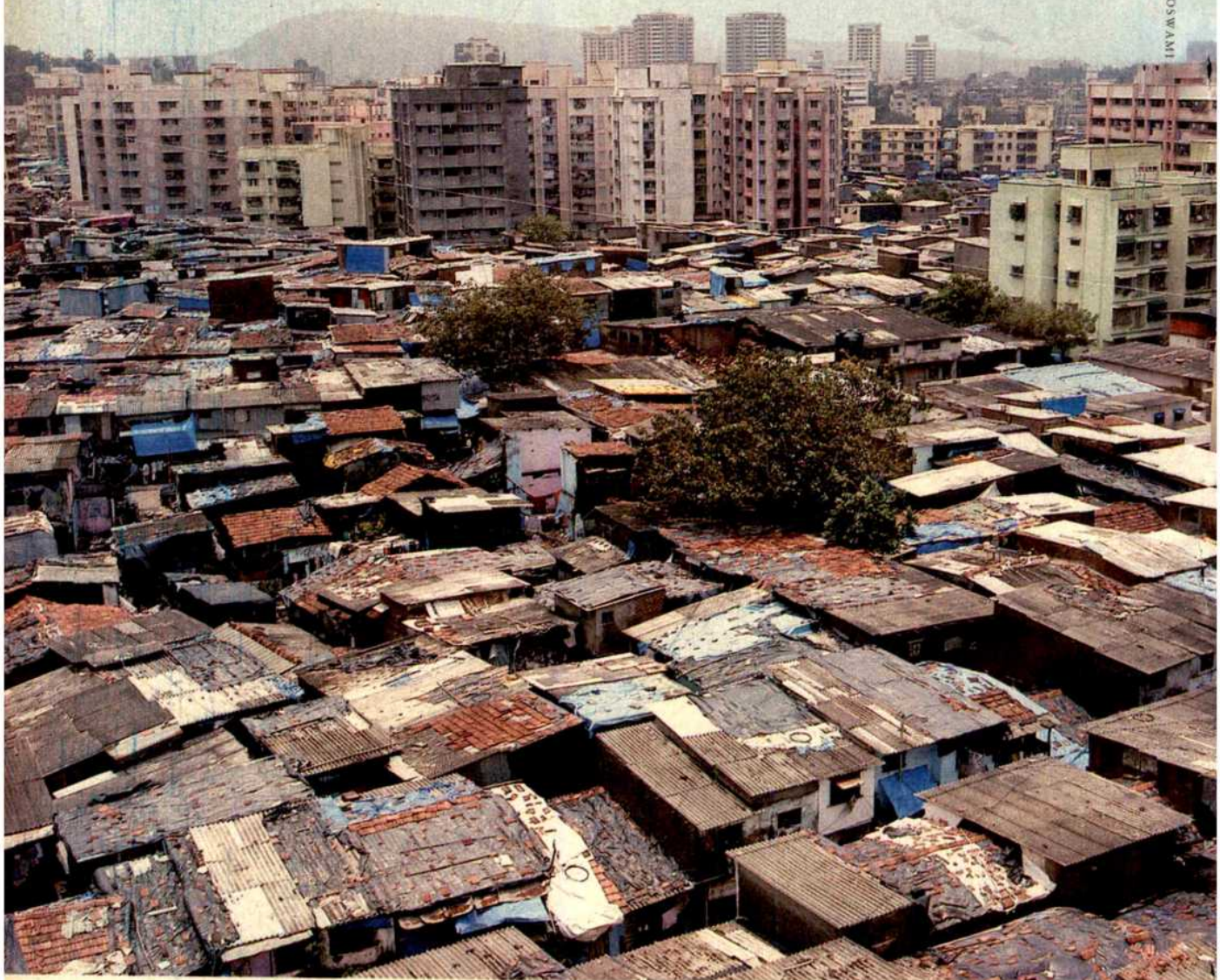
BEST CITIES, REALLY?

It's a bit of a joke to call our best cities so, when their infrastructure is creaking, half their inhabitants live in slums, and there is no civic management to talk of. What India needs is a wide-scale urban renewal. The good news: There is a plan already in place.

R. SRIDHARAN



UMESH GOSWAMI

City of contrast: Spread over 1.75 sq. km, Mumbai's Dharavi is Asia's largest slum, where thousands of people live

THE TOP 10 CITIES

1 MUMBAI
2 BANGALORE
3 DELHI
4 CHENNAI
5 HYDERABAD
6 KOLKATA
7 PUNE
8 AHMEDABAD
9 MYSORE
10 VIZAG

Scene 1: Bangalore, Silk Board Junction, morning rush hour. Cars and motorbikes snake endlessly along the narrow road that leads to the heart of India's Silicon Valley, the Electronic City. From the junction, it is less than 10 kilometres to the campuses of India's best-known IT *companies, Infosys and Wipro, but the motorists this morning—most of them employed in the booming* IT *industry—will take anywhere between one and two hours to reach their workplace. The irony: The junction did get a new flyover recently, but nobody bothered to widen the road down the stretch. It is worse on the way back home, because there's no flyover on this side. Elsewhere in the city, getting stuck on the Airport road could mean a missed flight.*

Scene 2: Mumbai, early July: It has been raining for four days and life in the city has come to a halt. Places such as Andheri, Khar, Malad and Bandra-Kurla Complex are waterlogged, suburban trains are stranded at several places, and there are reports of rain-related deaths. It's not the first time rains have brought Mumbai to a standstill. They did too last year and claimed more than a thousand lives. Weary Mumbaikars are outraged.

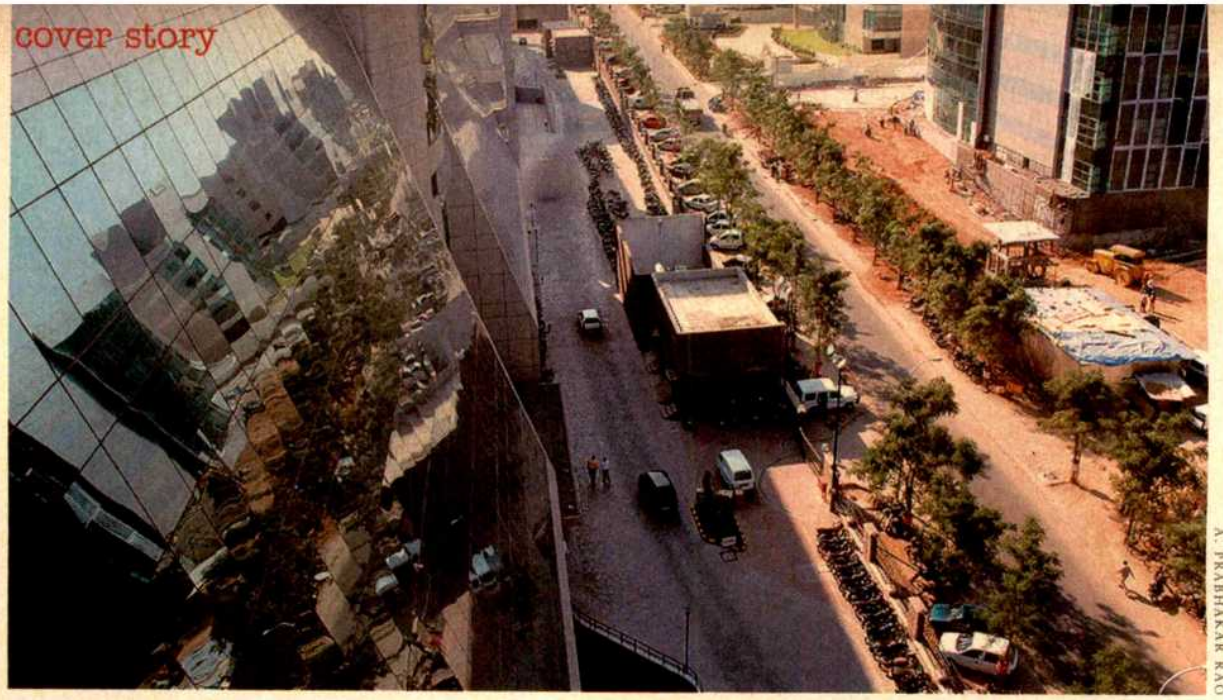
Scene 3: Delhi, Seelampur slums: Crumbling brick-and-mud houses line the sides of a narrow lane, with open drains running alongside. There are small heaps of garbage all along, smell of which mixes with that of excreta in the open drains to produce an overwhelming odour. But unmindful of the surroundings, children chase each other around and men sit around on charpoys, *smoking* beedis *and* hookahs. *Living in these slums means cooking, eating, sleeping and washing in barely 10x6 rooms. But guess what? That's how half of Delhi lives.*

THIS IS NOT HOW BEST CITIES ARE supposed to be. Best cities aren't supposed to erupt in violence if an ageing movie star dies at the grand age of 77, like Bangalore did when Rajkumar died on April 12. Neither are best cities supposed to let walk-in bombers massacre home-bound rail commuters like Mumbai allowed on July 11, when more than 200 people died. Best cities are supposed to be places where all their inhabitants can find material and spiritual fulfilment. The fact that none of India's cities is so, drives home a grim fact about our fifth Best Cities for Business survey: These are best of the worst cities. Power cuts, water scarcity, congested roads, pollution, dirt and roadside squalor are par for the course at almost all Indian cities.

Yet, it is these overcrowded and crumbling cities that drive India and make it the second-fastest growing economy in the world. Cities and towns are where 30 per cent of our people live, with 38 per cent of the urban population confined to just the top 35 cities. Fifty-five per cent of the country's GDP emanates from urban India; 50 per cent of the foreign direct investment goes to the seven largest cities. Globally, cities are the engines of their economies. They are too in India.

But the stress on our cities has begun to tell. As India's population and economy grew, more and more people migrated to the cities in search of a livelihood. But the cities themselves never planned to keep pace with their growth. There was no urban planning to talk of, resulting in haphazard development. Poor zoning compliance turned residential localities into commercial centres, and slums came up wherever they could. Today, 22 per cent of the city dwellers live in slums, and half of them work in the informal economy as hawkers, mechanics or roadside vendors. "A city is not just a place of employment, but a place of hope," notes Kavas Kapadia, Professor & Head of Urban Planning at Delhi's School of Planning and Architecture (SPA).

Why have we neglected our cities, then? Because our early political leaders always thought of India as an agrarian country. Therefore, urban development, a state subject, was never accorded priority and all the five-year plans allocated token sums to cities for development. The Mega City Scheme of 1993-94, for instance, allocated Rs 75 crore to five mega cities for a five-year period, meaning Rs 15 crore a year. "You can't build half a flyover with that sort of money," quips Vijay Dhar, HUDCO Chair Professor at the National Institute of Urban Affairs. Property tax is supposed to



A. PRABHAKAR RAO

Hi-tech Hyderabad: One of the more progressive cities, it ranks high in availability of office space and housing facilities

be the single-biggest source of revenue for city municipalities, fetching three-fourths of all revenue collections in cities that don't have octroi. But thanks to poor compliance, outdated property valuation systems and leakages, India's cities and towns (more than 5,000 of them) collect just Rs 12,000 crore a year. Obviously, bigger cities such as Delhi and Mumbai account for the lion's share of this money. "If you don't remove regulatory constraints and rebalance the power equation between the Central government and the states on the one hand and between the states and their cities on the other, infrastructure in cities can't be developed," says Om Prakash Mathur, Professor, National Institute of Public Finance and Policy (NIPFP).

A large part (70 per cent) of India still lives in villages, but not quite the way it used to. Agriculture's contribution to the GDP is shrinking. Between 1990 and 1995, it accounted for a third of GDP. Today, its share is a little more than a fifth. More importantly, it has finally sunk into our policy makers that neglecting our cities is a lose-lose game. When choked drains bring Mumbai to a halt, there's real business and productivity loss in India's financial capital. When Bangalore riots and tech workers aren't able to reach their workplace, companies lose real export dollars. In other words, when our cities lose, India loses. "Compared to some other cities in the world, we are 180 years behind in city management and, therefore, have to fight 180 times harder to come up," says SPA's Kapadia.

SAPTARSHI BISWAS

The IT boom: The outsourcing wave has bettered lives for many, but millions more have been left untouched

A Plan To Save Our Cities

Thankfully, an ambitious urban renewal plan has been put in place. Last year in December, Prime Minister Manmohan Singh announced the setting up of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). It draws a lot from the Urban Reform Incentive Fund announced in the 2002-03 budget by the then Finance Minister, Yashwant Sinha, but it differs in two key aspects: Compared to the Rs 500 crore that Sinha allocated to the fund, JNNURM boasts a staggering Rs 50,000 crore against matching contributions by recipient cities. More importantly, it makes it mandatory for cities to get their governance and accountability in

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THE TOP 10 CITIES BY RESPONDENTS

Across the six respondent categories, Bangalore gives Mumbai a run for its money.

THE CEO'S 10 BEST CITIES

	Mumbai	Bangalore	Delhi	Chennai	Hyderabad	Kolkata	Pune	Ahmedabad	Mysore	Surat
LAW & ORDER	1	2	6	3	4	7	5	10	8	13
WORK CULTURE	1	2	3	4	5	8	6	7	10	9
LOW POLLUTION LEVELS	8	17	18	14	10	16	12	15	1	6
TRAFFIC/COMMUTING	1	4	6	3	2	11	5	10	7	12
HEALTHCARE	3	4	1	2	7	12	5	6	15	8
COST OF LIVING	2	1	3	4	6	5	8	7	11	15
AVAILABILITY OF OFFICE SPACE	3	17	15	2	1	14	4	5	6	9
AVAILABILITY OF POWER	2	1	4	5	3	8	6	7	9	13
TELECOM FACILITIES	2	1	3	4	5	6	8	7	13	9
EDUCATION FACILITIES	1	2	3	4	5	6	7	8	9	11
WATER SUPPLY	1	2	3	8	4	6	7	10	5	15
CONNECTIVITY TO INDIAN CITIES	3	1	2	4	6	5	8	7	13	12
HOUSING FACILITIES	3	17	14	2	1	15	4	6	5	7
CONNECTIVITY TO INTERNATIONAL CITIES	4	1	2	3	5	6	8	7	13	16
CAREER GROWTH	2	1	3	5	4	7	6	8	10	13

THE POLICYMAKER'S 10 BEST CITIES

	Bangalore	Mumbai	Delhi	Chennai	Hyderabad	Pune	Kolkata	Ahmedabad	Mysore	Coimbatore
LAW & ORDER	3	1	2	5	4	7	6	11	8	9
WORK CULTURE	1	2	3	5	4	6	11	7	8	9
LOW POLLUTION LEVELS	17	11	14	18	12	10	16	15	1	5
TRAFFIC/COMMUTING	8	1	3	13	7	2	17	10	4	11
HEALTHCARE	4	3	2	1	5	6	13	7	16	12
COST OF LIVING	1	2	4	3	5	8	6	7	9	11
AVAILABILITY OF OFFICE SPACE	17	7	2	16	1	3	10	6	5	4
AVAILABILITY OF POWER	1	2	3	5	4	7	8	11	6	9
TELECOM FACILITIES	1	2	3	4	5	7	6	8	10	9
EDUCATION FACILITIES	2	1	3	4	5	6	8	7	10	9
WATER SUPPLY	2	1	5	9	3	8	6	10	4	7
CONNECTIVITY TO INDIAN CITIES	1	3	4	2	6	8	5	7	11	12
HOUSING FACILITIES	18	7	2	16	1	6	12	4	8	5
CONNECTIVITY TO INTERNATIONAL CITIES	1	4	3	2	5	8	6	7	12	11
CAREER GROWTH	7	17	16	14	13	3	9	18	6	15

THE SELF-EMPLOYED PROFESSIONAL'S 10 BEST CITIES

	Mumbai	Bangalore	Delhi	Chennai	Hyderabad	Mysore	Kolkata	Vizag	Coimbatore	Pune
LAW & ORDER	1	3	2	4	5	6	8	7	9	11
WORK CULTURE	1	2	3	5	4	6	8	7	10	9
LOW POLLUTION LEVELS	10	17	18	11	9	1	16	2	3	14
TRAFFIC/COMMUTING	2	12	7	4	3	1	17	5	6	8
HEALTHCARE	3	4	1	2	5	15	14	16	13	8
COST OF LIVING	2	1	3	4	5	7	6	10	9	8
AVAILABILITY OF OFFICE SPACE	4	14	7	5	1	3	6	2	9	10
AVAILABILITY OF POWER	1	2	3	5	4	6	7	8	10	9
TELECOM FACILITIES	2	1	3	5	4	7	6	9	8	13
EDUCATION FACILITIES	1	2	3	4	5	6	7	10	12	8
WATER SUPPLY	1	4	5	6	2	3	8	7	10	12
CONNECTIVITY TO INDIAN CITIES	3	1	2	4	6	9	5	11	12	8
HOUSING FACILITIES	4	17	7	3	1	2	11	5	10	6
CONNECTIVITY TO INTERNATIONAL CITIES	4	1	2	3	6	11	5	8	12	10
CAREER GROWTH	1	2	3	5	4	6	8	7	9	10

THE SENIOR MANAGER'S 10 BEST CITIES

	Bangalore	Mumbai	Delhi	Chennai	Hyderabad	Kolkata	Pune	Ahmedabad	Mysore	Vizag
LAW & ORDER	2	1	4	3	5	6	8	10	7	9
WORK CULTURE	1	2	3	4	5	6	7	8	9	10
LOW POLLUTION LEVELS	17	12	18	13	10	16	14	15	1	2
TRAFFIC/COMMUTING	8	1	5	2	3	10	6	9	4	7
HEALTHCARE	4	3	1	2	5	13	6	7	16	15
COST OF LIVING	1	3	2	4	5	6	7	8	9	10
AVAILABILITY OF OFFICE SPACE	9	1	4	2	3	5	7	8	6	10
AVAILABILITY OF POWER	1	2	3	5	4	6	7	8	9	10
TELECOM FACILITIES	1	3	2	4	5	6	7	8	9	13
EDUCATION FACILITIES	1	2	3	4	5	6	7	8	9	10
WATER SUPPLY	2	1	3	6	4	5	8	10	7	9
CONNECTIVITY TO INDIAN CITIES	1	3	2	4	6	5	8	7	12	11
HOUSING FACILITIES	10	1	4	3	2	7	5	9	6	8
CONNECTIVITY TO INTERNATIONAL CITIES	1	4	2	3	6	5	8	7	10	9
CAREER GROWTH	1	2	3	4	5	6	7	8	9	10

THE EXECUTIVE SPOUSE'S 10 BEST CITIES

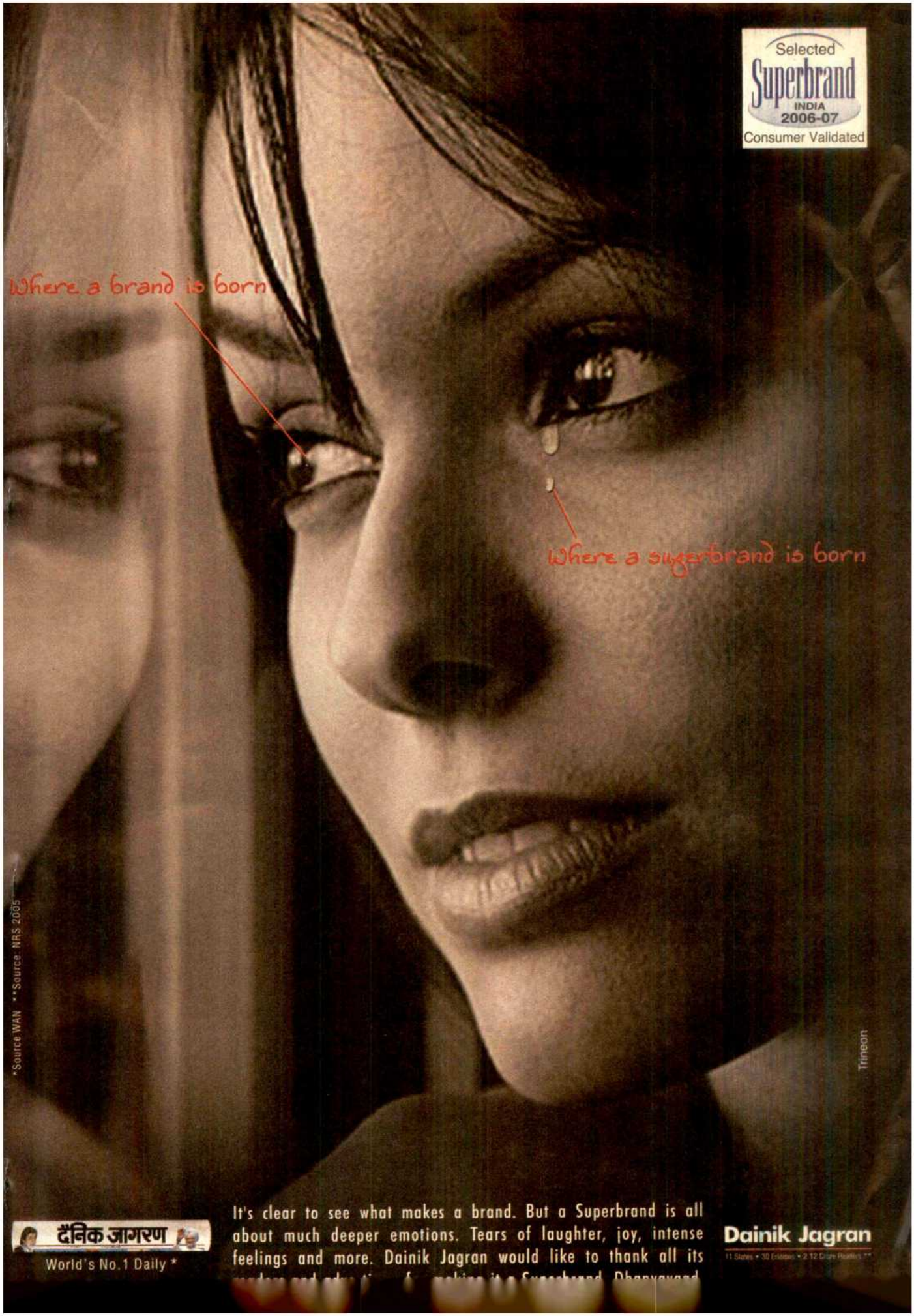
	Mumbai	Bangalore	Delhi	Chennai	Hyderabad	Kolkata	Ahmedabad	Mysore	Pune	Vizag
LAW & ORDER	2	1	4	3	5	7	9	6	10	8
WORK CULTURE	1	2	3	4	5	8	6	7	10	9
LOW POLLUTION LEVELS	17	12	18	15	10	16	14	1	13	2
TRAFFIC/COMMUTING	16	4	6	8	3	15	9	1	13	2
HEALTHCARE	4	3	1	2	5	13	6	16	7	15
COST OF LIVING	1	2	3	5	4	6	8	9	7	10
AVAILABILITY OF OFFICE SPACE	7	1	6	2	3	10	8	5	4	12
AVAILABILITY OF POWER	1	2	3	5	6	4	11	9	8	10
TELECOM FACILITIES	1	2	3	4	5	6	7	8	9	10
EDUCATION FACILITIES	3	1	2	4	5	6	7	9	8	12
WATER SUPPLY	2	1	3	6	5	4	10	7	13	8
CONNECTIVITY TO INDIAN CITIES	1	3	2	4	6	5	7	14	8	12
HOUSING FACILITIES	14	1	5	3	6	8	16	2	10	4
CONNECTIVITY TO INTERNATIONAL CITIES	1	4	2	3	5	6	7	11	8	9
CAREER GROWTH	1	2	3	4	5	7	6	9	8	10

THE B-SCHOOL STUDENT'S 10 BEST CITIES

	Delhi	Mumbai	Chennai	Bangalore	Kolkata	Hyderabad	Mysore	Pune	Vizag	Ahmedabad
LAW & ORDER	4	1	2	3	5	9	11	7	13	6
WORK CULTURE	1	3	2	5	4	6	7	10	8	9
LOW POLLUTION LEVELS	17	18	10	13	9	16	14	1	15	2
TRAFFIC/COMMUTING	8	2	1	6	3	11	12	5	9	4
HEALTHCARE	4	1	3	2	7	13	6	16	5	15
COST OF LIVING	1	2	3	5	4	6	8	7	11	9
AVAILABILITY OF OFFICE SPACE	18	8	1	2	3	5	4	6	12	7
AVAILABILITY OF POWER	1	3	2	4	5	6	7	8	9	11
TELECOM FACILITIES	1	2	3	4	6	5	7	16	8	15
EDUCATION FACILITIES	2	1	3	4	5	6	7	9	8	11
WATER SUPPLY	2	4	1	6	5	8	9	3	10	7
CONNECTIVITY TO INDIAN CITIES	1	2	3	4	6	5	8	13	7	10
HOUSING FACILITIES	18	6	1	4	8	7	10	2	15	3
CONNECTIVITY TO INTERNATIONAL CITIES	1	2	4	3	6	5	10	11	7	9
CAREER GROWTH	1	3	2	5	4	6	7	10	8	11

The order in which the cities appear indicate their top 10 rankings by respondent category

PINAKI PAUL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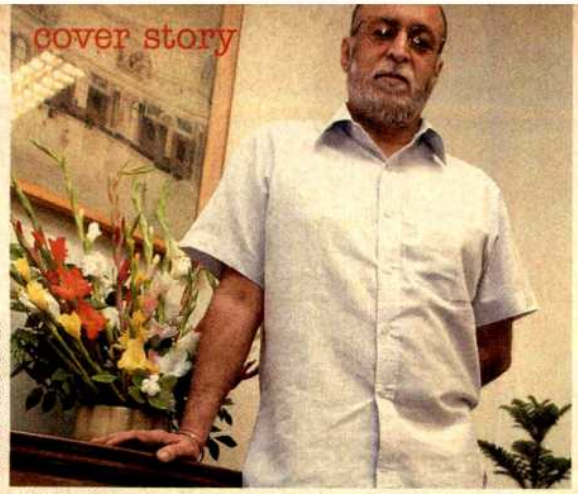

SAPTARSHI BISWAS

Urban champ: Union Secy Baijal is driving JNNURM

A MAMMOTH TASK

Modernising Indian cities will require Rs 1,20,536 crore in investment.

Category (in terms of population)	No. of Cities	Investment Requirement*	Annual Funds Requirement
Cities with over 4 million	7	57,143	8,163.3
Cities with 1-4 million	28	57,143	8,613.3
Selected cities with less than 1 million	28	6,250	892.9
TOTAL	**63**	**1,20,536**	**17,219.5**

Requirement figures in Rs crore *Over seven years starting 2005-06

place before laying their hands on the fund. "In the scale of its ambition and the nature of its rigour, JNNURM has no parallel," says Ramesh Ramanathan, National Technical Advisor to the mission.

He isn't exaggerating. It's for the first time that India has started on a concerted effort to renew its urban centres. Unlike in the past, money isn't to be allocated and spent in dribbles and drabs. To start with, the mission has identified 63 cities, based on criteria such as the size of population and tourism potential, for development. An estimated Rs 1,20,536 crore is required to develop these cities, half of which will come from the Central government. The matching rest must be raised by the cities themselves. Since JNNURM has sweeping goals, it is easier to mention what sort of projects don't qualify for assistance. These relate to power, telecom, health, education, wage employment and employment creation. Everything else—widening of city roads, improving water supply and sanitation, and even relocation of slums—is admissible for assistance.

The mission money won't come free. Since governance and accountability have been the reasons why our cities never kept pace with growth, there is a string of mandatory and optional reforms at the level of urban local bodies (ULBs) and states. For instance, it is mandatory for the beneficiary municipality to adopt modern, accrual-based, double-entry system of accounting so that a city's profits and losses are clearly

SHAILESH RAVAL

Highway drive: New and better roads are getting built, but not fast enough to keep pace with the increasing demand for connectivity across India

SHAMIK BANERJEE

City of joy? Even as new office buildings and residential complexes come up in Kolkata, the city scores poorly in terms of cleanliness and healthcare

visible to its citizens. It is also mandatory for it to introduce e-governance, using software such as GIS (geographic information system) and MIS (management information system) for various civic services. The cities must also reform property tax using GIS, so that a more realistic market rate can be determined depending on the zone, and bring in appropriate user charges for services such as water.

The states, on their part, have to hand over urban management to ULBs as per the 74th Constitutional amendment, and repeal the Urban Land Ceiling and Regulation Act and the Rent Control Act to balance the interests of landlords and tenants. In addition, they must bring down stamp duty to 5 per cent to encourage registration of property transactions and enact a public disclosure law to ensure fiscal transparency and discipline among ULBs and parastatal agencies. To get the funds, the cities must first come up with a city development plan (CDP), get it appraised and approved, and then provide a detailed project report for each project or sets of them. "It's a perfect balance of incentives, reforms and design," says Ramanathan, who also runs a Bangalore-based NGO, Janaagraha, focussed on urban reforms.

Given India's fractured polity, it's a lot to ask of Indian states. But, happily, the response has been spectacular, although the mission is just seven months old. Thirty-two cities have already submitted their CDPs, of which 18 have been approved and the rest are under appraisal. "To be honest, the response is way beyond my expectation. There's now a competitive spirit emerging among our cities," says Anil Baijal, Union Secretary for Urban Development and the man who, everyone says, has been championing the mission. He expects all the other CDPs in by end of August.

A Virtuous Cycle

Not everything is hunky-dory, though. Key cities including Bangalore and Delhi haven't yet finalised their CDPs. Bangalore did submit one, but it was sent back for improvement. Delhi, because of its peculiar position as both the seat of Union government and a state, has yet to get its act together. For instance, the municipal commissioners are appointed not by the state, but the Centre. The biggest threat to the mission lies in the cities and states not agreeing to the mandatory reforms. For, that is really what will trigger a virtuous cycle of improved revenue collections, investment in infrastructure, growth and, hence, more revenues. The mission only has a longevity of seven years, meant to coincide with the 11th Five-year Plan, and the cities in that time must prove that they can be self-sustaining. "This window is available to take the cities up to a point. Thereafter, they have to earn their own bread," says Baijal.

Where the money from revenue collections and grants is not enough, the cities will need to raise money from markets or multilateral agencies. For that, Baijal, who retires in two months, plans to get all the 63 cities credit rated by international agencies. There's also a pooled finance development fund (of Rs 500 crore) that will allow the weaker of the 63 cities to use it as a cushion to bolster their books.

Finally, as Baijal points out, the success of the mission depends on the ownership of the local community. The people of a city have to become more involved in the running of their cities. Because, more than good roads and green gardens, cities are us. ■

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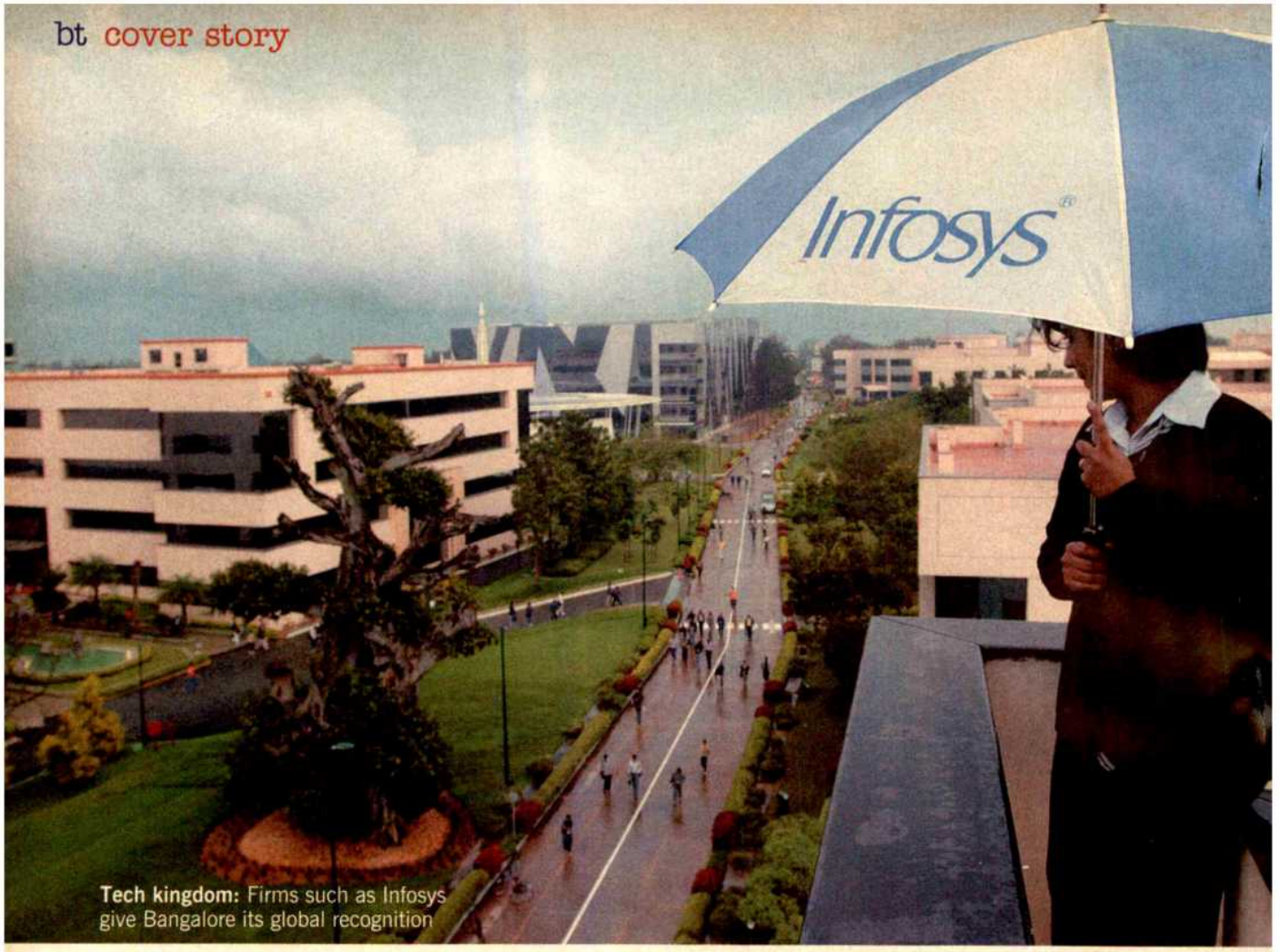


Tech kingdom: Firms such as Infosys give Bangalore its global recognition

THE ACCIDENTAL SILICON VALLEY

Yes, the traffic sucks big time, but in a flat world Bangalore is still Back Office Central.

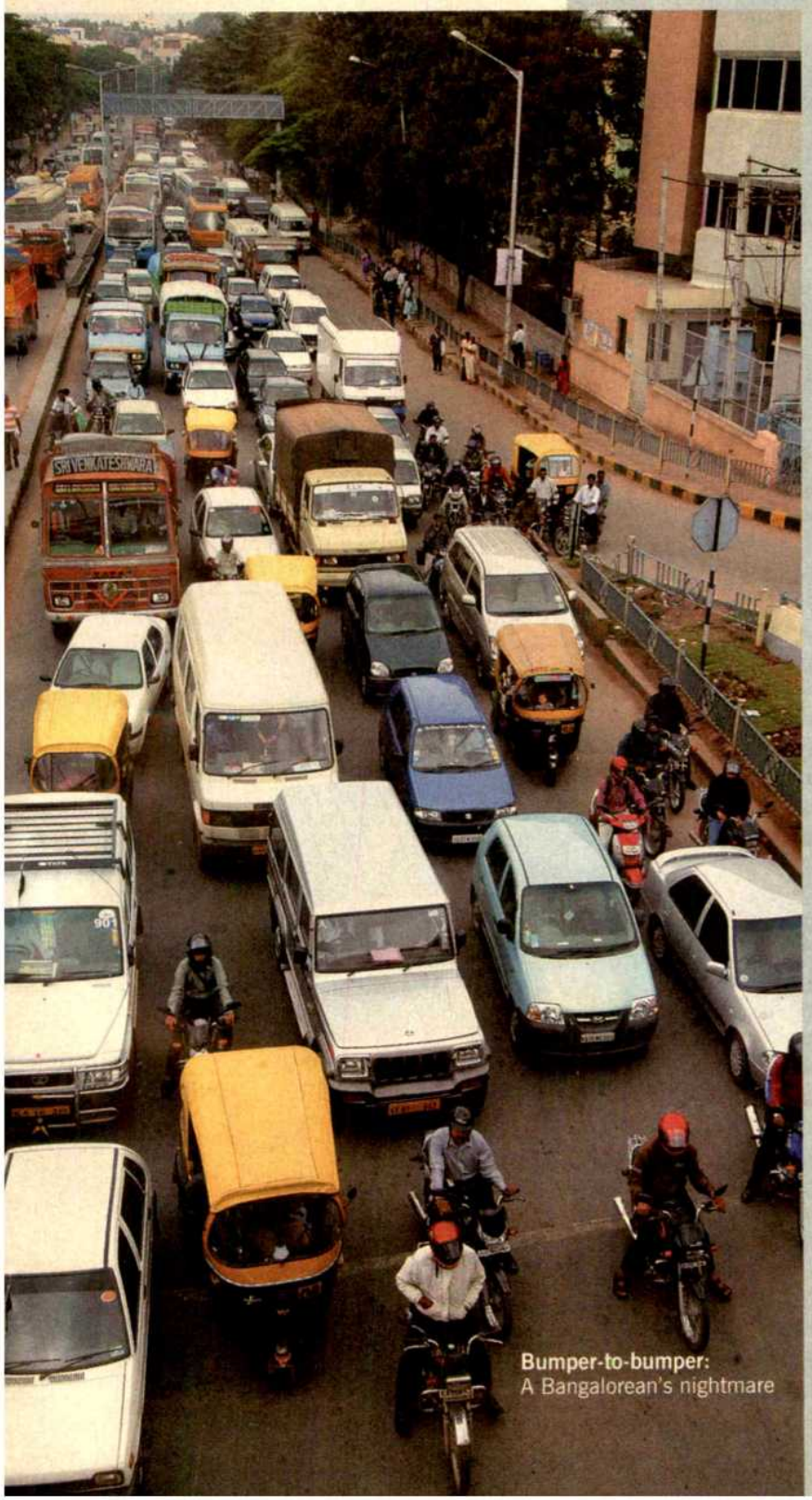
VENKATESHA BABU

IF NO ONE TOLD YOU SO, YOU'D HAVE TROUBLE believing that Regent Park is in Bangalore, not San Jose. Two-storey town houses built with sloping roof and manicured lawns dot either side of wide, tree-lined streets. Kids are playing catch against a setting sun and neighbours, some of them just back from work, have stopped for a quick chat. Inside this high-security, gated complex, you hear none of the city's noisy traffic or inhale any of its noxious fumes. This is a piece of Americana recreated in the heart of Bangalore's tech nerve centre, Whitefield. "These communities offer security and a getaway from the madness that is Bangalore," quips Arjun

PHOTOGRAPHS BY DEEPAK G. PAWAR

Living the American dream: Minus picket fences, in Garden City

BANGALORE

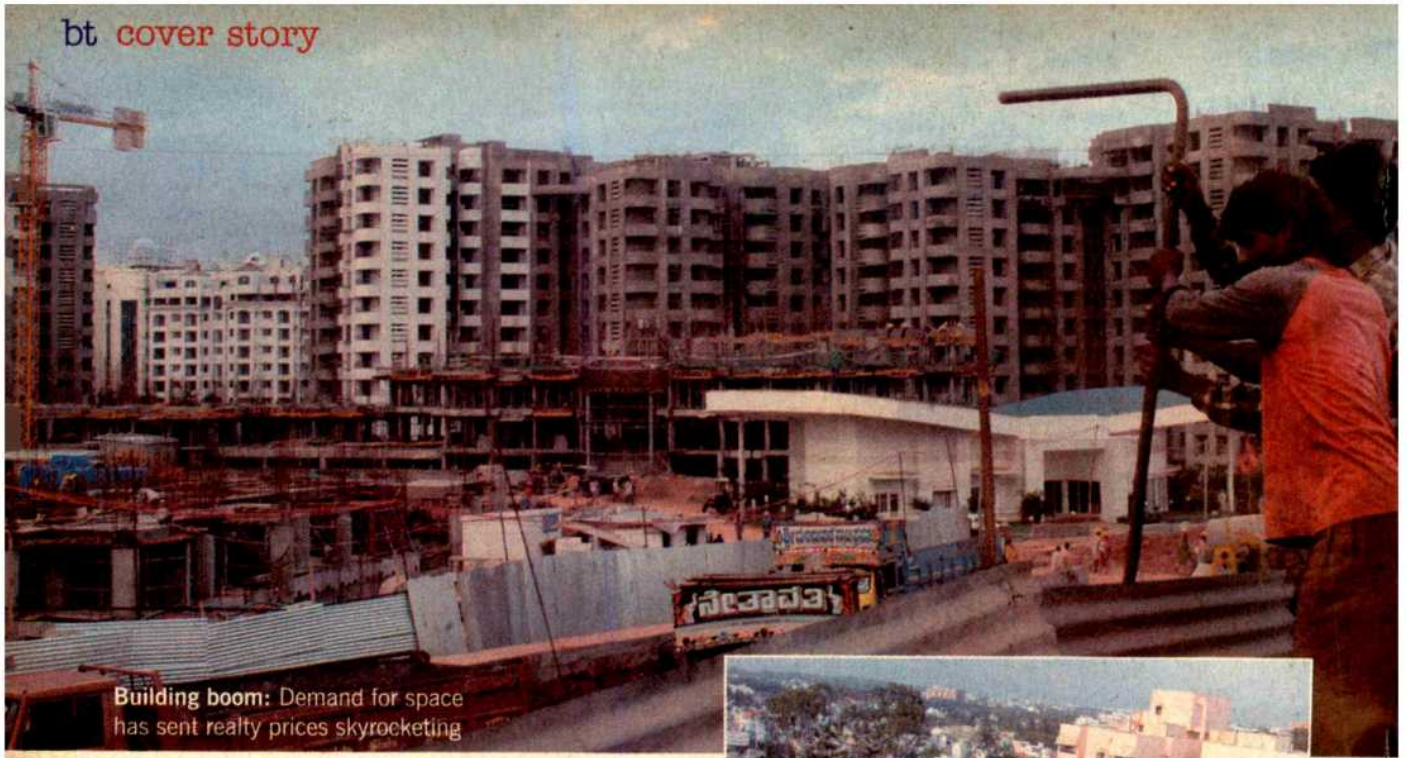


Bumper-to-bumper: A Bangalorean's nightmare

BANGALORE FACT FILE

- FOUNDED: 1537 A.D.
- AREA: 484 sq. km
- POPULATION: 7.4 million
- ROAD LENGTH: 3,000 km
- PUBLIC TRANSPORT: 4,124 BMTC buses
- PEAK POLLUTION LEVELS: SO_2: 8 microgram/metre cube; SPM (suspended particulate matter): 362 microgram/metre cube
- INDUSTRIAL LOAD-SHEDDING: Nil*
- RESIDENTIAL LOAD-SHEDDING: Nil*
- POWER TARIFF: Rs 5.15 per unit (industrial); Rs 3.30 per unit (residential)
- PIPED WATER SUPPLY: Four hours per day
- COMMUTING TIME: 1 hour from Jayanagar to M.G. Road (10 km) during peak hours
- COST OF DOMESTIC HELP: Rs 800 a month
- COST OF PETROL: Rs 55.15/litre
- COMMERCIAL REAL ESTATE RATES: Rs 8,000-10,000/sq. ft (average)
- RESIDENTIAL REAL ESTATE RATES: Rs 4,000/sq. ft (average)
- TELEDENSITY: 157 per 1,000 people
- AVERAGE PER CAPITA WHITE COLLAR WAGES:
  JUNIOR MANAGER: Rs 4 lakh per annum
  MIDDLE MANAGER: Rs 12 lakh per annum
  SENIOR MANAGER: Rs 30 lakh per annum
- NUMBER OF MURDERS: 242 in 2005-06
- NUMBER OF TRAFFIC ACCIDENTS: 5,660 in 2005-06; of these, 594 were fatal
- HEALTHCARE: 14 hospital beds per 1,000 people
- CONSUMER PRICE INDEX: 125

Base Year 2001 = 100 *Does not include unscheduled power cuts
Sources: GoI, martket estimates

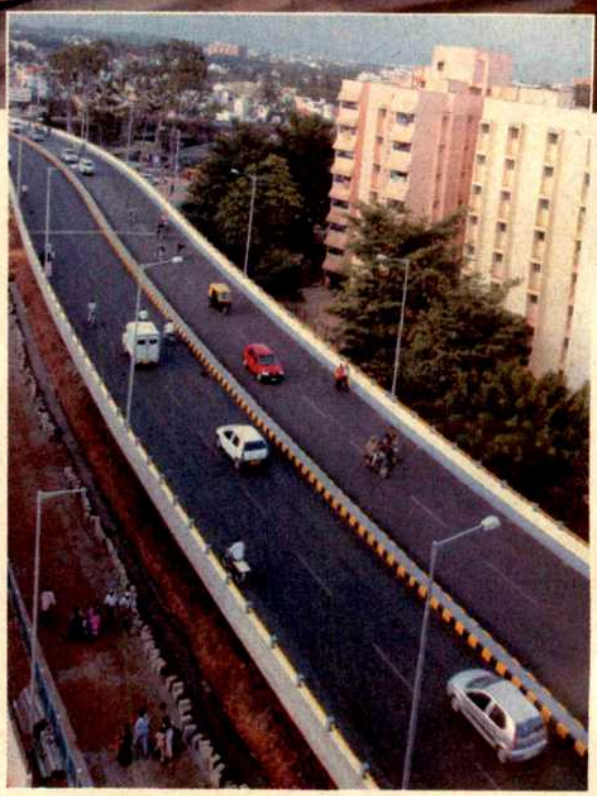


Building boom: Demand for space has sent realty prices skyrocketing

Kalyanpur, a resident and radiologist, who returned from the US four years ago and set up a one-man teleradiology practice that today employs 90 people and has plans of moving into a nearby tech park.

Kalyanpur and Regent Park symbolise the information technology boom that over the last 10 years has transformed Bangalore from a sleepy, retiree-city into the epicentre of global offshoring. There are more than 2,000 companies registered with the Software Technology Park of India (STPI), and dozens more open shop every month. Over the last five months alone, 147 companies have opened in the city, including Target, Fidelity, RSA Securities and Financial Objects. The city pulls in Rs 37,600 crore in export earnings every year from IT alone—that's 37 per cent of the industry exports. An estimated 2.1 lakh people work in the industry, making it the first port of call for any foreign company wanting to set up an India back office.

But truth be told, Bangalore never expected, much less prepared, to be India's Silicon Valley. Even as its IT industry (followed by biotechnology) continued to expand at a breakneck pace, the city's infrastructure stood still. More cars and motorbikes poured on to the roads, but the roads themselves remained as narrow as before; fancy new residential and commercial complexes got built, but the city's power generation capacity wasn't increased. With the result, Bangalore today is in a shambles. There's water shortage, power goes off routinely, roads are choked, and pollution levels are soaring. To make matters worse, real estate is almost as expensive as in the US. Add high employee turnover to it, and there's enough reason for some foreign tech companies to shutter their Bangalore back offices. Apple, Sykes, Pervasive Computing and BelAir are



Up and running: The flyover near the airport opened two years behind schedule, but hasn't eased traffic congestion

some of those. "We have invested heavily in India and Bangalore, but it is becoming increasingly difficult to do business here with the degenerating infrastructure," complains Martin Prinz, Jt. Managing Director, SAP Labs, which employs more than 2,000 engineers at its campus in Whitefield.

Woe is Bangalore?

The city may face competition from other Indian cities, but other global cities, possibly not. All the reasons that made Bangalore attractive in the first place, still

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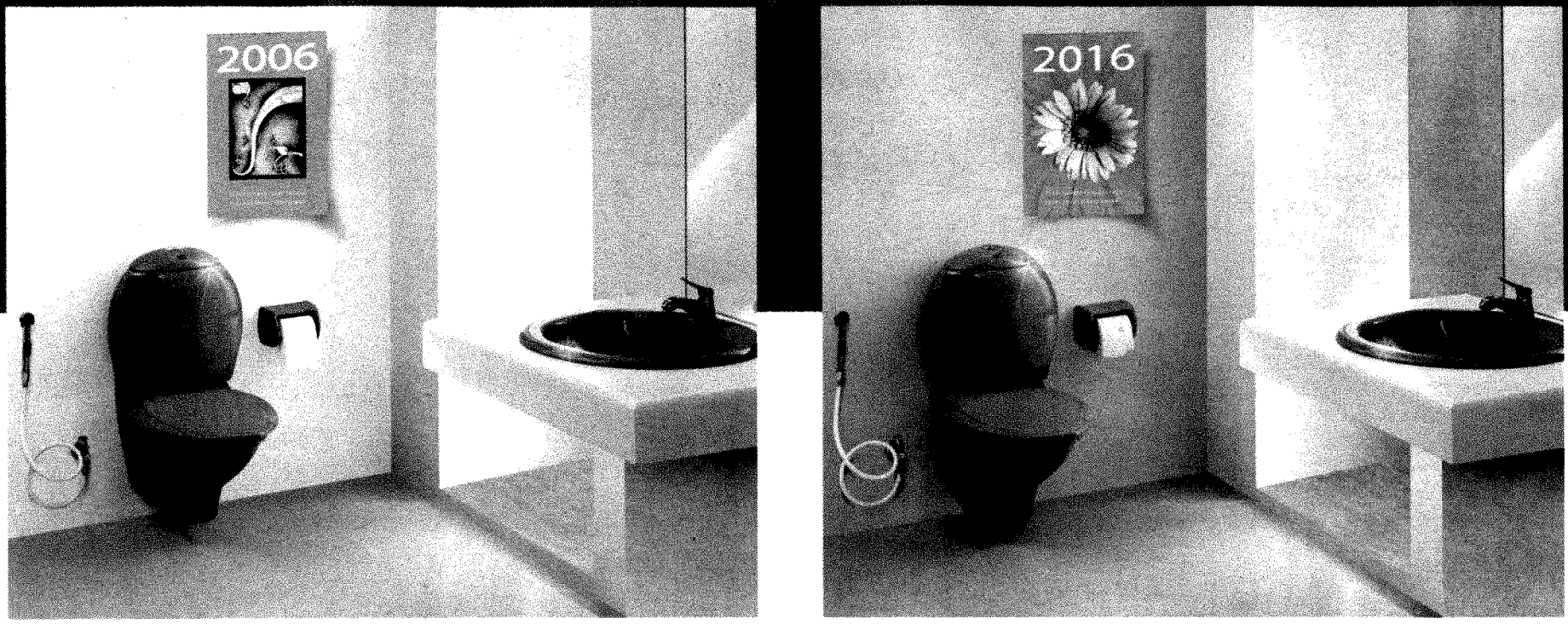

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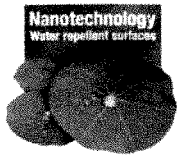

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remain. For instance, there are 50 engineering colleges churning out nearly 20,000 engineers every year. If anything, there might be even more reason to offshore to Bangalore. "Of our 100-odd members, 70 per cent are present in Bangalore. Because of the clustering effect, Bangalore still has a distinct advantage," says Poornima Shenoy, President, Indian Semiconductors Association. Adds M.P. Shyam, a well-travelled banker whose family business spans retail to education: "Infrastructure has undoubtedly been a cause for concern, but not many people point out the positive side of the picture. Five years ago, you couldn't have caught a direct flight to Frankfurt. Today you can," he says.

One of the reasons Apple cited for closing its Bangalore development centre was the high cost of doing business in the city. But talk to CEOs of companies that have operations in Bangalore and other cities of the world, and they'll tell you that India's Silicon Valley offers vastly more value for money. Take, for instance, Partha Sarkar, CEO, Hinduja TMT, a leading IT and ITES player that has a third of its 6,000 employees working in Manila. He doesn't deny the fact that Bangalore has its issues, but at the same time he notes that it is still very cost competitive. "Our Manila and Mauritius operations are 15 per cent and 20 per cent more expensive, respectively, than Bangalore. We have offices there only to meet our customer requirements," says Sarkar. In other words, for any new company looking to enhance productivity and reduce costs, it is imperative to look at Bangalore.

That's a view echoed by Chandran Shankaran, CEO, Zyme Solutions, a provider of high-end ITES

Way to go: Biotech companies such as Biocon represent the other successful industry in Bangalore

INTERVIEW WITH
H.D. KUMAARASWAAMY
CHIEF MINISTER/ KARNATAKA

"We Are Implementing Projects With Deadlines"

AMIDST A HECTIC ASSEMBLY SESSION, KARNATAKA *Chief Minister* **H.D. Kumaaraswaamy** *took time off to meet with* BT*'s* **Venkatesha Babu.** *Excerpts from the interview:*

Are you surprised that Bangalore is at #2 despite the negative publicity it has been receiving?

Yes, surprised that Bangalore is not actually #1. Having said that, let me use the platform of *Business Today* to thank all investors, CEOs and professionals who have reposed confidence in the state and more so in Bangalore. It is true that there were some problems, especially on the infrastructure front. Bangalore had grown fast and due to that there were issues, which my government is trying to address.

Infrastructure has definitely been a sore point. What's your government doing on that front?

Whether it is the new international airport, Metro rail, roads, water, or power, we have ensured there is traction on the ground. The new international airport will be completed by April 2008. Work on the Rs 6,000-crore Metro has already started and will be ready by 2011. We have spent Rs 500 crore on improving efficiency of power distribution in Bangalore. Reliability factor of power supply is 99.01 per cent. I don't think any other major city can assure that. We have already spent Rs 40 crore to improve roads in Bangalore and we intend to spend an additional Rs 260 crore over the next three years. To improve traffic management and (road) discipline, we are putting up 200 cameras in various parts of the city, and that I believe will be a first for India. Rs 3,384 crore is being spent on the Cauvery fourth stage project to improve water supply. Five new satellite towns are being set up to decongest the city. These are not just promises, but projects with deadlines, and I am personally monitoring them.

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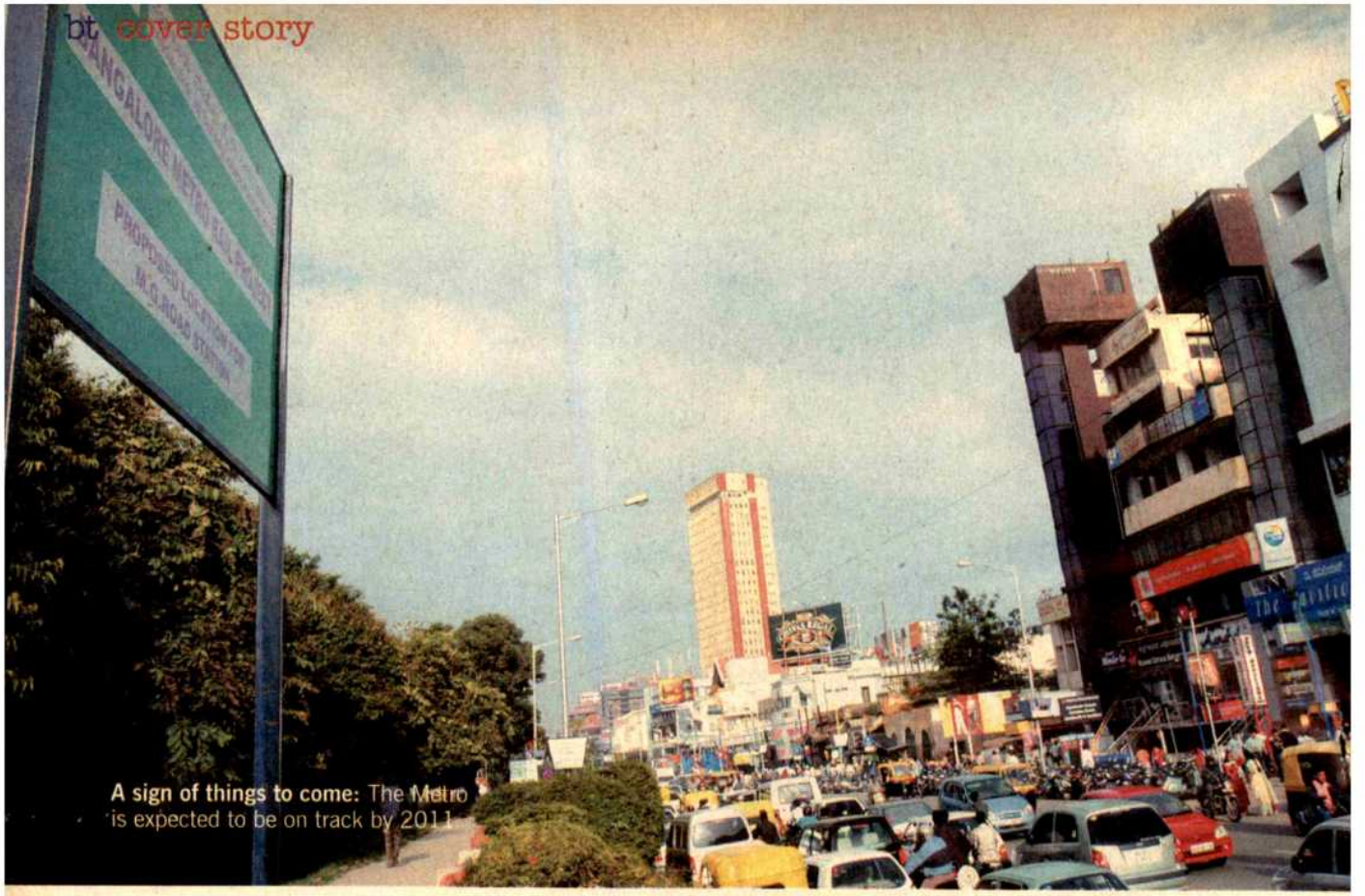

A sign of things to come: The Metro is expected to be on track by 2011

solutions. The company considered a number of cities within and outside India before deciding to headquarter in Bangalore. What tilted the balance in favour of Bangalore? The fact that it offered a deeper pool of management talent and better access to support services such as third parties who do certifications, audits, quality, and security. "All this talk of Bangalore losing its competitive edge is not true. Entry-level staff costs 10-15 per cent of what it does in the US, senior manager costs 50 per cent less," says Shankaran. Only real estate cost is, he notes, almost on par. But there is clearly a cost advantage if one gets to a reasonable scale—something that Apple, with just 30 people in the development centre, failed to do. "Reports of Bangalore's death may not only be premature, but wildly exaggerated," says K. Jairaj, Bangalore City Corporation Commissioner, who's just returned from a two-year stint with the World Bank in Washington, D.C.

Then, there's this whole thing about Brand Bangalore. "I don't have to explain about Bangalore when I pitch to clients. That is something hard for its global and local competitors to replicate," says Prakash Bhalerao, a serial entrepreneur, all of whose companies tend to have a Bangalore link, including the latest, Verismo Networks. Venkat Kedlaya of the Bangalore Chamber of Industry & Commerce (BCIC) and who also runs his own IT company called Convergent Communications, says that the city offers the best work-life balance of all Indian cities. A relatively small city, Bangalore's cosmopolitan culture means it has a vibrant nightlife, which plays out in its 120 or so pubs every evening, and not just over the weekends.

That said, Bangalore has real infrastructure issues to deal with. Its city development plan, submitted under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), was returned for modifications, but Chief Minister H.D. Kumaaraswaamy is promising to step on the pedal even otherwise. He says his government plans to spend Rs 260 crore on roads over the next three years, get the new international airport up and running by 2008, and the Metro by 2011. "Our aim is to make Bangalore a model city on par with the best in the world," he told BT (see *We Are Implementing...*).

Even Bangalore's most vocal critics agree that things are slowly improving. "We have seen a few visible signs of improvement in Bangalore's infrastructure over the last few months and the present state government seems to be making a concerted effort to make things better," says N.R. Narayana Murthy, Chairman, Infosys Technologies. In the same breath, he points out that Bangalore has a long way to go before it can be compared to other global business hubs. "However, a combination of the city's climate, large talented workforce and its strong educational presence offer a compelling reason to set up shop in Bangalore," he says. Murthy should know. About 24 years ago, he moved a software start up from Pune to Bangalore, and look where it has got him. ■

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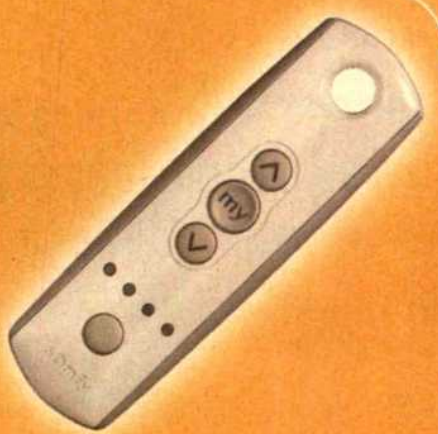

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On the fast track: The Metro has given Delhi's image a boost

READY FOR THE RIDE

Maybe it's because of the Metro or its booming suburbs, but Delhi has experienced a renewal of sorts. There's plenty to be done, though, and the Commonwealth Games in 2010 seem like the perfect excuse to get going. SHALINI S. DAGAR

FOR PEOPLE WHO AREN'T PARTICULARLY sporty, Delhi's residents sure are looking forward to the 2010 Commonwealth Games the city is scheduled to host. "The 1982 Asian Games provided tremendous fillip to the infrastructure of Delhi," says Rajan Bharti Mittal, Joint Managing Director, Bharti Airtel Ltd. "The 2010 Commonwealth Games represent an opportunity for another round of facelifts for the city." Mittal is merely echoing the sentiments of the capital's estimated 16 million residents when he says this; Delhi will become only the second Asian city after Kuala Lumpur to host the games, and several agencies are expected to spend over Rs 5,000 crore in upgrading the city's civic infrastructure in preparation. Problems related to power, water, even roads (although Delhi

DELHI 3

SIPRA DAS

Bridging the gap: Tech. hub Noida has proved a worthy neighbour

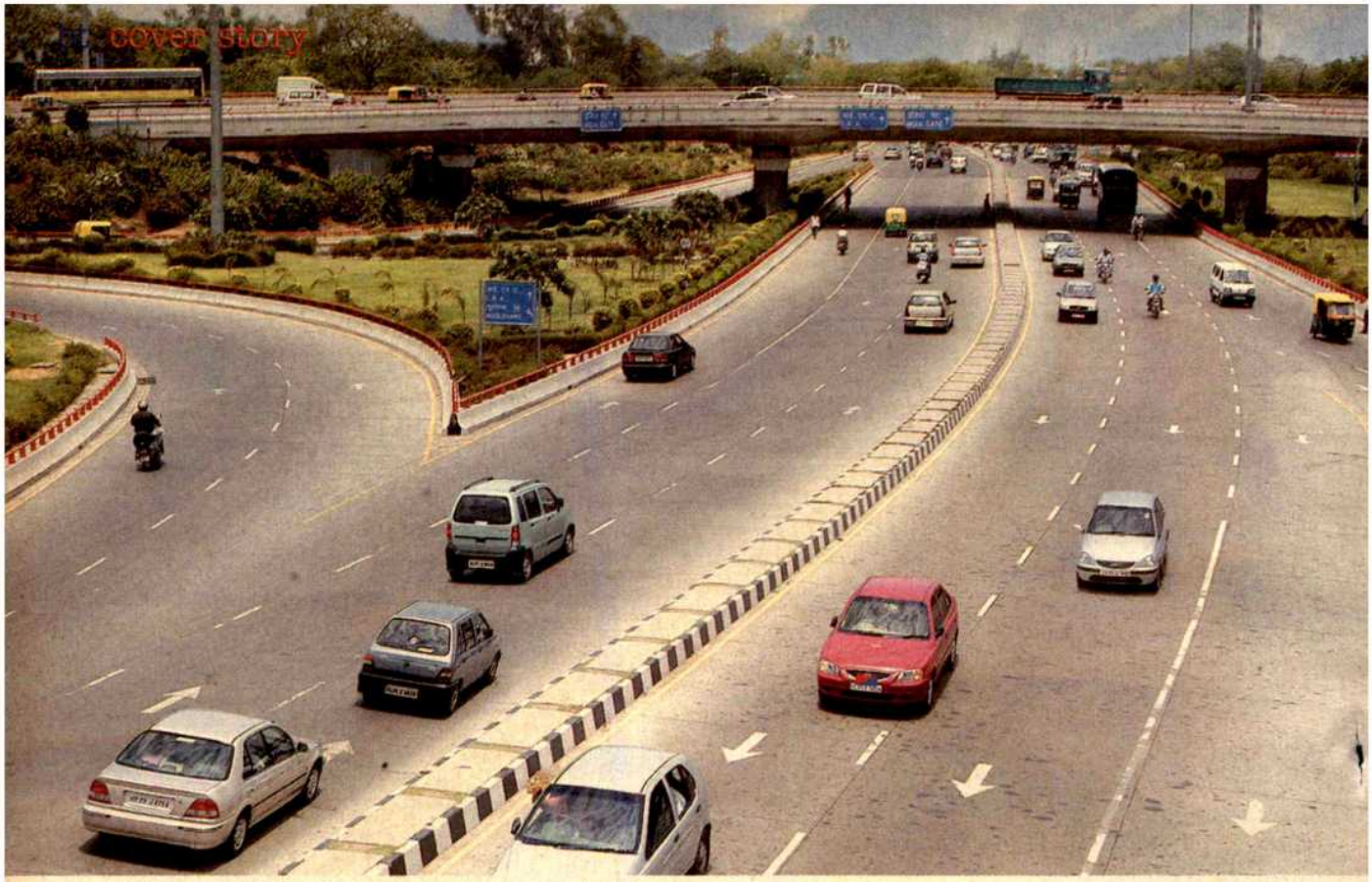
WIP but will get there: Work on the expressway connecting Delhi and Gurgaon is behind schedule

PHOTOGRAPHS BY VIVAN MEHRA

DELHI FACT FILE

- FOUNDED: 1060 A.D.
- AREA: 1,483 sq. km (National Capital Territory)
- POPULATION: 13.7 million*
- ROAD LENGTH: 26,323 km
- PUBLIC TRANSPORT: 25,705 buses
- PEAK POLLUTION LEVELS: SO_2: 12.7 microgram/metre cube, SPM ^: 549.7 microgram/metre cube
- INDUSTRIAL LOAD SHEDDING: 4-5 hours
- RESIDENTIAL LOAD SHEDDING: 2-10 hours
- POWER TARIFF: Rs 2.40-4.60 per unit (residential); Rs 3.70-5.64 per unit (commercial)
- PIPED WATER SUPPLY: 2-24 hours per day
- COMMUTING TIME: 45 minutes to an hour from city centre to the outskirts
- COST OF DOMESTIC HELP: Rs 600 a month
- COST OF PETROL: Rs 46.85/litre
- COMMERCIAL REAL ESTATE RATES: Rs 10,000-18,000/sq. ft
- RESIDENTIAL REAL ESTATE RATES: Rs 19,500-27,800/sq. ft
- TELEDENSITY: 761 per 1,000 people
- AVERAGE PER CAPITA WHITE COLLAR WAGES:
  JUNIOR MANAGER: Rs 4-10 lakh per annum
  MIDDLE MANAGER: Rs 8-20 lakh per annum
  SENIOR MANAGER: Rs 16-30 lakh per annum
- NUMBER OF MURDERS: 258 (till July 15, '06)
- NUMBER OF TRAFFIC ACCIDENTS: 4,774 (till July 15, '06); of these 969 were fatal
- HEALTHCARE: 2.02 hospital beds per 1,000 people
- CONSUMER PRICE INDEX: 120**

*Population Census 2001 **For May 2006
Base year 2001=100 ^ suspended particulate matter
Sources: Delhi government, market estimates



Well-connected: Delhi already has the best roads in the country

boasts the best in the country), will all be sorted out, is the hopeful refrain. For, despite the obvious advantages it enjoys from being India's capital and home to the Supreme Court (it was a court decision that prompted all public transport on the city's roads to move to CNG), Delhi has its share of problems. The most pressing of these is power: the summer of this year saw daily shortfalls reaching as high as 300-400 MW on some days. Then, there is water (or the lack of it), and zoning. The last continues to see the Delhi government, the central government, and the Supreme Court locked in a battle over unauthorised commercial use of land and buildings in residential areas. Despite all these, Delhi is #3 on *Business Today's* ranking of the best cities for business.

The Re-invention Of Delhi

In the mid-1990s, Delhi wasn't exactly a great city for business (even in 2001, the city ranked #9 in this magazine's survey). Both of its business districts, Nehru Place and Connaught Circus, were heaving masses of humanity, creaking at the seams, and ready to crumble; its roads, despite being the best in the country even then, couldn't cope with the volume of traffic (then, as now, Delhi had more vehicles on its roads than the other three metros and Bangalore together); and, perhaps most significantly, most of the old business houses based in the city were either decaying or going through a painful process of reinvention (and the new businesses, companies like Bharti, were yet to make an impact).

Over the last few years, however, Delhi has begun to benefit from events that were set in motion in the early- and mid-1990s (and not always by the local administration): the first was the emergence of Gurgaon and, to a lesser extent, Noida, as worthy satellites; the second was the birth and rapid growth of the Business Process Outsourcing industry (and the fact that BPO-pioneer GE picked Gurgaon as its base); the third was the Supreme Court's activism (especially in *l'affaire* CNG); the fourth was the arrival (or comeback, in some cases) of businesses such as Bharti, Ranbaxy, and BILT; and the last was the various infrastructure-related initiatives undertaken by the various governments and government agencies responsible for Delhi and the National Capital Region (as the greater Delhi, Faridabad, Gurgaon, Noida, and Ghaziabad area is known), including the city's famed Metro.

"In the last three to four years, Delhi is probably the only city which has seen some serious augmentation in facilities," says Sanjay Verma, Joint MD, Cushman and Wakefield, a realty firm. The Delhi Metro (it started operations on one stretch in 2002) is currently a 60-km network that is used by half a million commuters every day. If all goes well, by 2010, it will extend to Noida and be used by a million commuters every day. Extensions to Gurgaon and Ghaziabad, which are also on the anvil, will reach out to even more people. Already, Connaught Circus, the terminal for all Metro lines, is witnessing significant

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renewal. "The Delhi Metro has become the lifeline for the city," gushes Ajay S. Shriram, Chairman and Senior MD, DCM Shriram Consolidated Ltd. And the NCR boasts enough space, some 30,000 sq. km, to accommodate Delhi's grandiose expansion plans. "Delhi's location gives it the capacity to grow and still ensures the quality of its public spaces," says Dikshu C. Kukreja, a Harvard-trained urban planner and Director, Architects, C.P. Kukreja & Associates.

Indeed, Delhi, circa 2006, would appear to have a lot going for it: it is the centre of government in a country where the government still has a role in business; it is a cosmopolitan city; it has some of the best schools and hospitals in the country; and it has more than a fair share of reasonably well-maintained public places. By some estimates, the green cover in the city has increased from 151 sq. km in 2001 to 268 sq. km in 2003 and 325 sq. km today. "Although there is lesser requirement (for government interaction) post liberalisation, access to ministries is easier to co-ordinate from Delhi," says Mohit Burman, Director, Balsara Home Products. "The quality of life (in Delhi) is good," adds Dan Sandhu, Chairman, Vertex, a UK-headquartered BPO, who came down to Delhi with an idea of spending 18 months in the city (in 2002) and has since chosen to stay on.

Diversified, Not Risk-free

Most of India's best-known companies are headquartered in Mumbai. However, the overwhelming business-culture of India's commercial capital has to do with the world of finance. India's two premier stock exchanges and three commodity exchanges are based

Rush hour: The Metro has eased traffic woes with half-a-million commuters using it every day

SAPTARSHI BISWAS

INTERVIEW WITH
SHEILA DIXIT
CHIEF MINISTER/ DELHI

"Maybe we could have achieved more"

IN SEVEN YEARS, DELHI CHIEF MINISTER SHIELA DIXIT *has seen it all: the highs of the Delhi Metro and the move to* CNG*; and the lows of the perennial power crisis and the recent controversy over demolitions. Dixit, who is quick to say that Delhi is a far cry from being a truly world-class city, speaks to* Business Today *about her plans for the city. Excerpts:*

What are the constraints you face while trying to make Delhi a world-class city?
The multiplicity of organisations dealing with Delhi is a significant constraint.

Power has been one of the key issues for businesses in Delhi. Do you think privatisation has been a success?
Sure, things could be better, but for a system which has been vandalised for years, the situation is much better. Transmission losses are now down to less than 1 per cent. In 1999, the total demand for Delhi was 1,900 MW. It has now risen to 3,800 MW. Hopefully, in the next two-three years load-shedding should be a thing of the past.

Law and order is also a concern for prospective investors...
That is the perception. However, the police statistics show the situation is not as bad as it is perceived to be. The perception and the apprehensions of the citizens need to be addressed.

The Supreme Court has taken objection to the Delhi Laws (special provisions) 2006 putting one-year moratorium against the removal of unauthorised construction?
I would not like to comment on the issue as it is *sub judice*. However, one needs to remember that the city has grown tremendously.

What is your vision for Delhi?
Delhi should be a happy city. Why do people flock to cities like Paris and London? There is so much to do.

Any disappointments/regrets in these last seven years?
Although much was done, maybe we could have achieved more.

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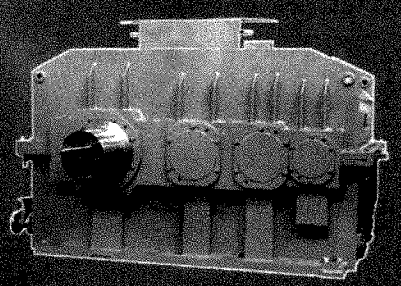

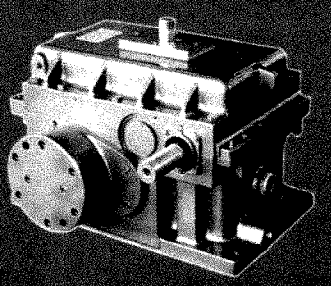

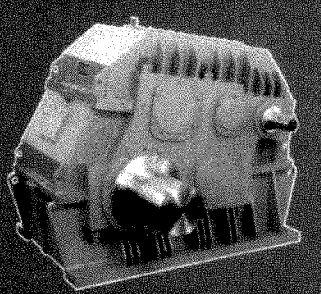

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Outsourcing hub: Gurgaon and Noida are home to some of the big names in the BPO industry

HEMANT CHAWALA

Mall mania: The National Capital Region has become a retail Mecca, a sign of the region's growing prosperity

in the city. Bangalore is India's undisputed tech capital. Delhi and the NCR, in contrast, boast a fairly diversified industrial profile. Gurgaon is an auto-belt, BPO-belt, and MNC-belt, all at once; Faridabad is home to several engineering industries; Noida is North India's technology hub (but not exclusively that); and, by virtue of the purchasing power of their citizens, Delhi and Gurgaon are retail mini-Meccas. Add a dash of pharmaceuticals and telecom, and the picture is complete. This range of industries, explains Vertex's Sandhu, is a magnet for potential investors.

Just as it is a magnet, in this part of the country, for young educated migrants (and unskilled immigrants of indeterminate age too) in search of the proverbial pot of gold. "The quality of the workforce, the lifestyle offered by the city, and the ease of attracting talent is a big, big advantage, at least for the BPO industry," says Raman Roy, India's original BPO entrepreneur (he was the first CEO of GECIS, now Genpact, and later founded Spectramind which he sold to Wipro), who is now onto his fourth BPO venture Quattro. Delhi is well connected to the rest of the world and it is part of the famed Delhi-Agra-Jaipur golden triangle that attracts tourists (this is a big plus even for serious business travellers who invariably schedule a day trip to Agra in their business itinerary).

The city's present, then, looks fine. If there are fears over Delhi's future as a centre of business (and there are), they have to do with issues related to its satellites, the NCR, and the way in which the city itself is administered. Gurgaon and Noida may have relieved Delhi's burden some, but both seem to be emulating the capital in terms of city planning. Zoning laws in Gurgaon, if any, would appear to be on paper only, with malls, high-rise apartments, offices, low-rise villas, multiplexes, even schools and hospitals, nudging each other. Issues related to parking, power, water and mixed use of land, which Delhi ignored to its own detriment, are now being ignored by the satellites. The NCR Planning Board, established with the objective of ensuring that an agency plans for the region as a whole, has ways to go. The continuing trouble over water for Delhi's Sonia Vihar treatment plant—the commissioning of the project has been delayed more than once due to the uncertain water supplies from the UP government—is an example. Then, Delhi itself is administered by several organisations, some of which do not even fall under the purview of the state government. "The Delhi Development Authority is not under the Delhi government and we do not have a representation in it," rues Chief Minister Shiela Dixit. The city's Master Plan dates back to 2001 and is based on planning estimates of the late 80s. "It lacks the three-dimensional planning for micro-character of each zone that is the characteristic of world-class cities," says Kukreja. Dixit is hoping that the two committees—Omesh Saigal Committee and Ashok Pradhan Committee—looking at reorientation of the Delhi administration, and which are expected to table their reports shortly, will come up with something concrete.

That would help. And if there is another catalyst, apart from the Commonwealth Games, required, the city has just got itself one. In cricket-mad India, it is set to host the final of the Cricket World Cup 2011. ■

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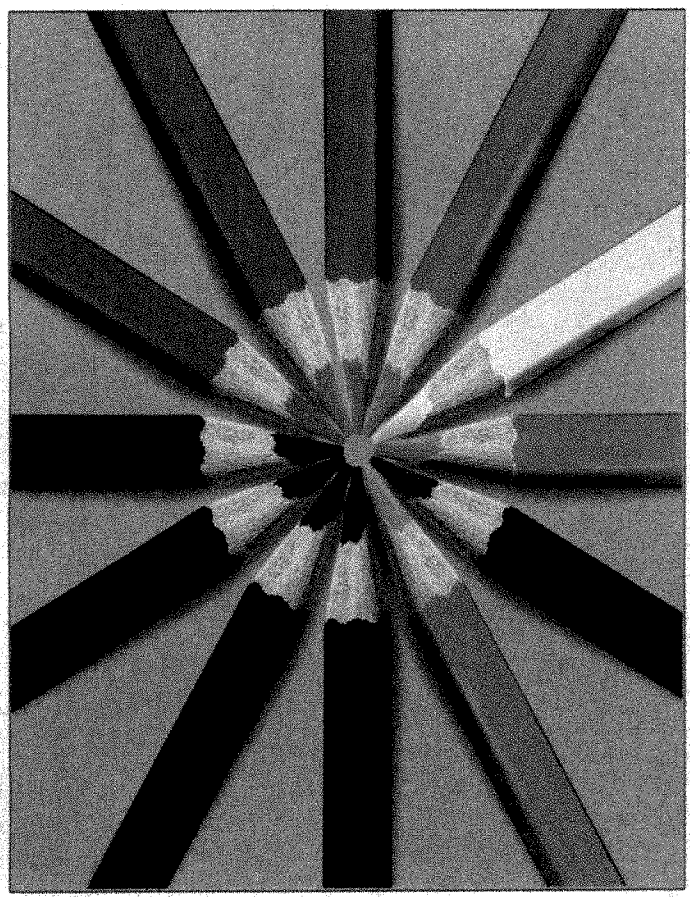

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SEVEN OF TEN

The other seven cities that complete the top 10 in *Business Today's* listing (and what they have going).

4

CHENNAI

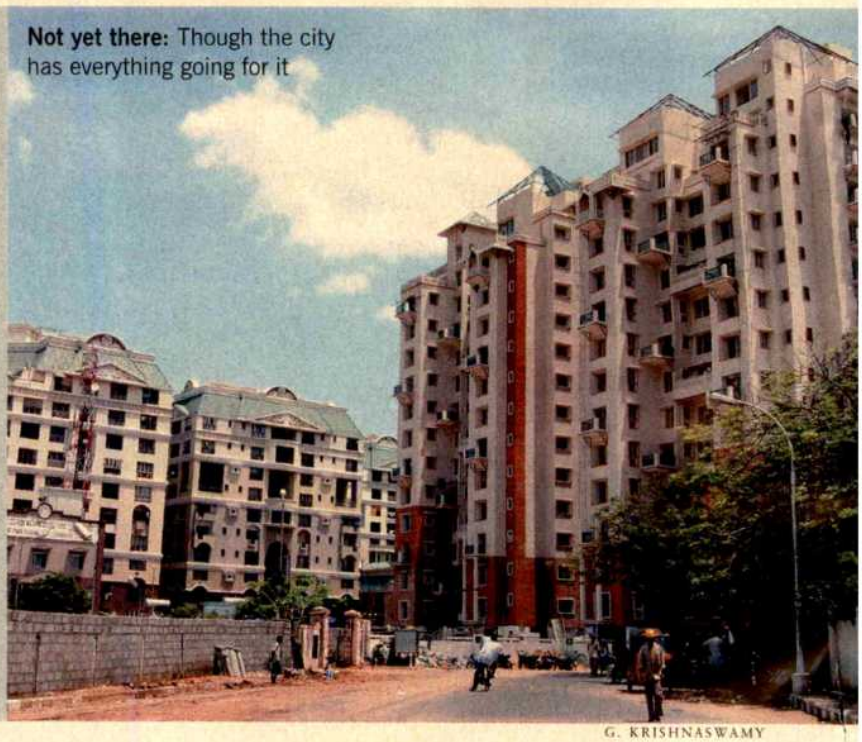
City City Bang Bang!

Why does Chennai get more bad press than it deserves?

CHENNAI FACT FILE

- FOUNDED: 1639 A.D.
- Area: 1,180 sq. km (Refers to Chennai metropolis and not Chennai Corporation)
- Population: 6.7 million
- Road length: 2036.41 km
- Industrial load shedding: Nil*
- Residential load shedding: Nil*
- Piped water: 12 hours every day
- Commercial real estate rates: Rs 10,000-12,000/ sq. ft
- Residential real estate rates: Rs 3,000/ sq. ft (average)
- Teledensity: 570 per 1,000 people
- Average per capita white collar wages:
  Junior Manager: Rs 4-7 lakh per annum
  Middle Manager: Rs 8-15 lakh per annum
  Senior Manager: Rs 20 lakh-plus per annum

*Does not include unscheduled power cuts
Sources: GoI, martket estimates



Not yet there: Though the city has everything going for it

G. KRISHNASWAMY

IT CAN LAY LEGITIMATE CLAIM TO being the Detroit of India (if there is still merit in being likened to that American city). It produces more engineers a year than most other cities in the country. It has been, for at least the past 12 months, the most happening IT services hub in the country. It isn't a bad place to live, and boasts some of the best educational institutions in the country. And, despite taking a knock or two from 2004's tsunami and last year's floods, it remains one of the safest places to do business in India. So, why does Chennai not figure at #1 or #2, even #3 on this magazine's listing of the best cities for business? Actually, no one knows (and just to add to the preamble, Chennai also boasts the first special economic zone that is a result of a public-private partnership, Mahindra City; and in March 2006, Nokia inaugurated its first manufacturing facility in India, at Sri Perambudur on the outskirts of the city). "Chennai is good for manufacturing," says Suresh Krishna, Chairman and Managing Director, Sundram Fasteners, adding a caveat about the only spoiler being the city's distance from markets. Jukka Lehtela, the man in charge of Nokia's Indian manufacturing operations, speaks fondly of a government (it has since been voted out of power) that "acted faster than they spoke". And A. Gururaj, General Manager and Director (India), Flextronics, adds that it was the "deep reserve of technical talent in this part of India" that encouraged the company to locate in Chennai.

NITYA VARADARAJAN

5

HYDERABAD

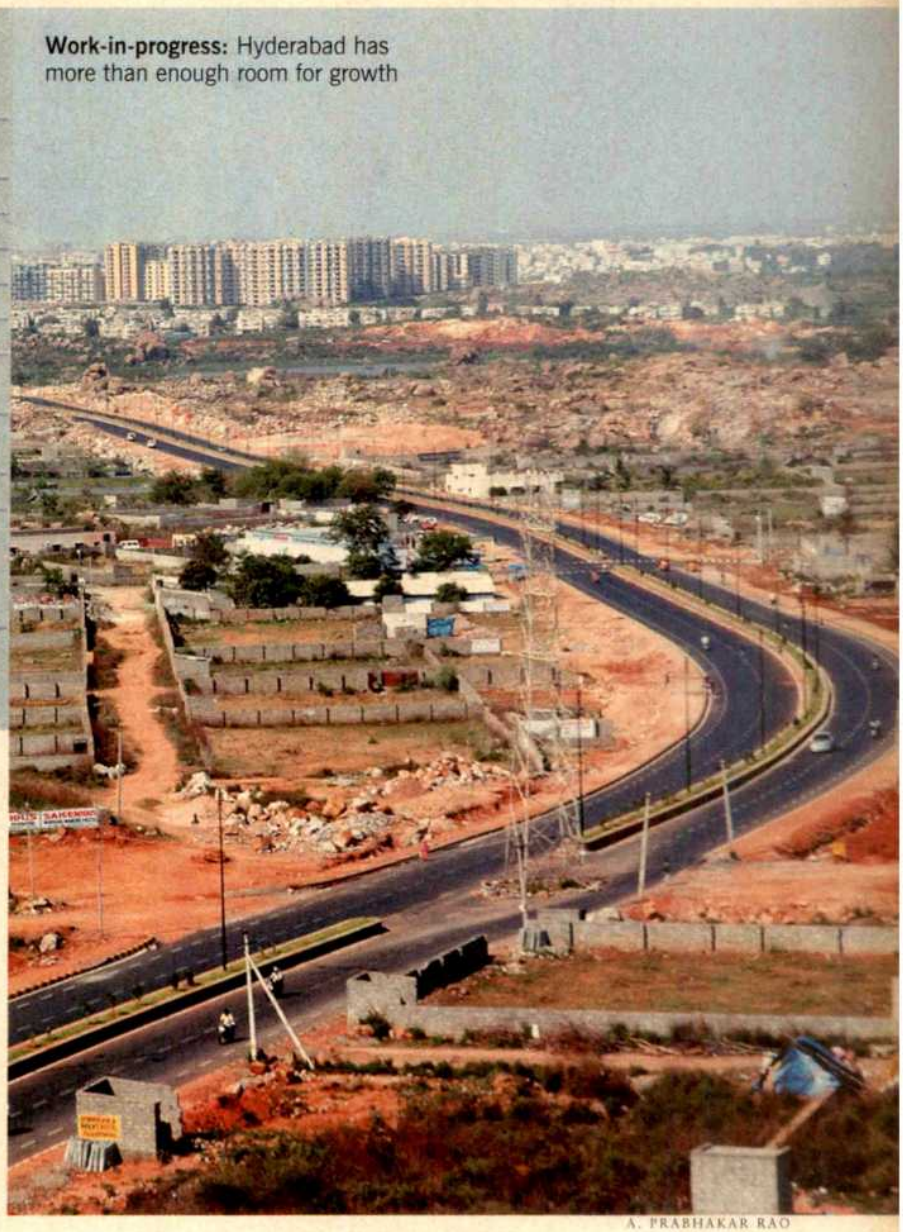
Cyberabad Redux

Andhra Pradesh's capital is beginning to get it right.

HYDERABAD FACT FILE

- FOUNDED: 1591 A.D.
- Area: 2,300 sq. km (Hyderabad Metropolitan Area)
- Population: 7.5 million
- Road length: 1,575 km
- Industrial load shedding: Nil*
- Residential load shedding: Nil*
- Piped water: Two hours every alternate day
- Commercial real estate rates: Rs 3,800-4,500/ sq. ft
- Residential real estate rates: Rs 2,800-4,000/ sq. ft
- Teledensity: 350-400 per 1,000 people
- Average per capita white collar wages:
  Junior Manager: Rs 1-3 lakh per annum
  Middle Manager: Rs 2-15 lakh per annum
  Senior Manager: Rs 15 lakh-plus per annum

*Does not include unscheduled power cuts
Sources: GoI, market estimates



Work-in-progress: Hyderabad has more than enough room for growth

A. PRABHAKAR RAO

ANDHRA PRADESH'S CHIEF Minister Y.S. Rajasekhara Reddy is out to prove that it is possible for Cyberabad (as the city was popularly referred to during the previous regime led by the Telugu Desam's Nara Chandrababu Naidu) to co-exist with the larger state of Andhra Pradesh. Thus, the Chief Minister is busy announcing sops for farmers one minute, signing memoranda of understanding with investors wishing to put down a chip fab another (for the record, the latter, the famed Fab City project, will be up by 2009 and involve a total investment of $3 billion or Rs 14,100 crore). "In the next three years, this will be the #1 state in the country," says Reddy. "The availability of good talent, especially technical, and the relatively low cost of living are all making Hyderabad an attractive destination for business," adds Satish Reddy, Chief Operating Officer, Dr Reddy's Labs. Signs of urban renewal abound in the city: new and work-in-progress flyovers, a new international airport, a proposed ring road that will circumscribe Hyderabad, even a Metro rail project. There's still the complaint about inadequate nightlife; then, that should follow.

E. KUMAR SHARMA

6 KOLKATA

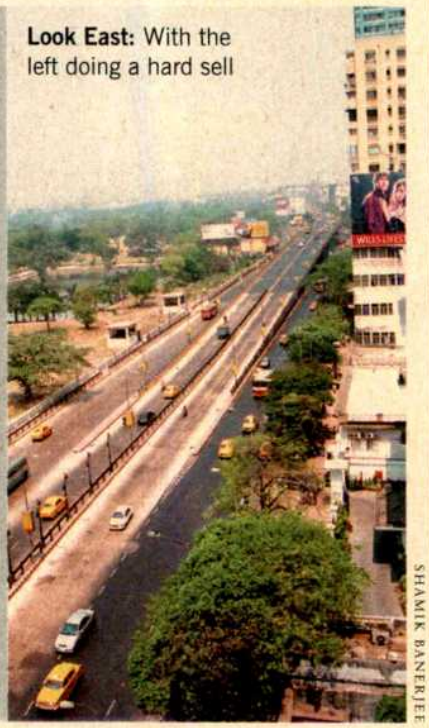
Comeback Capital

Red citadel (re)discovers joys of business.

KOLKATA FACT FILE

- FOUNDED: 1690 A.D.
- Area: 185 sq. km
- Population: 14.7 million
- Road length: 1,500 km
- Industrial load shedding: Nil*
- Residential load shedding: Nil*
- Piped water: 12 hours every day
- Commercial real estate rates: Rs 10,000/ sq. ft (average)
- Residential real estate rates: Rs 1,600/ sq. ft (average)
- Teledensity: 95 per 1,000 people
- Average per capita white collar wages:
  Junior Manager: Rs 4 lakh per annum
  Middle Manager: Rs 15 lakh per annum
  Senior Manager: Rs 38 lakh per annum

*Does not include unscheduled power cuts
Sources: GoI, market estimates



Look East: With the left doing a hard sell

SHAMIK BANERJEE

7 PUNE

PUNE FACT FILE

- FOUNDED: Circa 750 A.D.
- Area: 237 sq. km (Pune Municipal Corporation)
- Population: 2.53 million
- Road length: 1,252 km
- Industrial load shedding: Nil*
- Residential load shedding: Nil*
- Piped water: Four hours every day
- Commercial real estate rates: Rs 10,000-12,500/sq. ft
- Residential real estate rates: Rs 3,500-4,000/ sq. ft
- Teledensity: 350 per 1,000 people ^
- Average per capita white collar wages:
  Junior Manager: Rs 5 lakh per annum
  Middle Manager: Rs 12 lakh per annum
  Senior Manager: Rs 24 lakh per annum

*Does not include unscheduled power cuts
^ BT estimate
Sources: GoI, market estimates

ONCE, IT WAS ONE OF INDIA'S MOST IMPORTANT CENTRES OF commerce, home to some of the country's best-known business families, and the headquarters of several boxwallah companies. Then, things changed; the communists (now into their 30th uninterrupted year of rule) underestimated the importance of commerce, infrastructure crumbled, and businesses, businessmen, even bright young people in search of better prospects, fled Kolkata in numbers. Things seem to have come full circle now, though, with current Chief Minister Buddhadeb Bhattacharjee singing a different, and more business-friendly, tune (to the extent that he has even used terms like contract farming, once reckoned to be a four-letter word in the lexicon of the communists). The Tata Group, both Ambani brothers, and a clutch of other businesses and businessmen, have announced plans to invest in the city (some Rs 6,000 crore thus far in 2006-07) and the state of West Bengal. "With surplus power, good connectivity, reasonably low real estate prices, increasing purchasing power and a low level of communal disharmony, Kolkata is set to be one of the most investment-friendly destinations in the country," says Sanjoy Budhia, Managing Director, Patton Industries. The city has already emerged a sort of hub for IT services and BPO industries in the East (and India's National Association of Software and Service Companies or NASSCOM says it has reason to believe that attrition rates here are far lower than elsewhere in the country).

RITWIK MUKHERJEE

The 'It' Factor

It takes something beyond infrastructure to make a city, and this one has that.

JUST AS AMIT KALYANI, EXECUTIVE Director, Bharat Forge, had warned (and wished for), this writer was stuck at a railway crossing outside the company's factory (and several other factories) for over 30 minutes. Pune's traffic is probably the worst in all India, the city is plagued by endemic power cuts (eight to 12 hours long, and several big factories do not draw power from the grid during peak hours to make life easier for the residents of the city) and Tarun Malaviya, Founder-CEO of e-mail software hotshop Mithi would,

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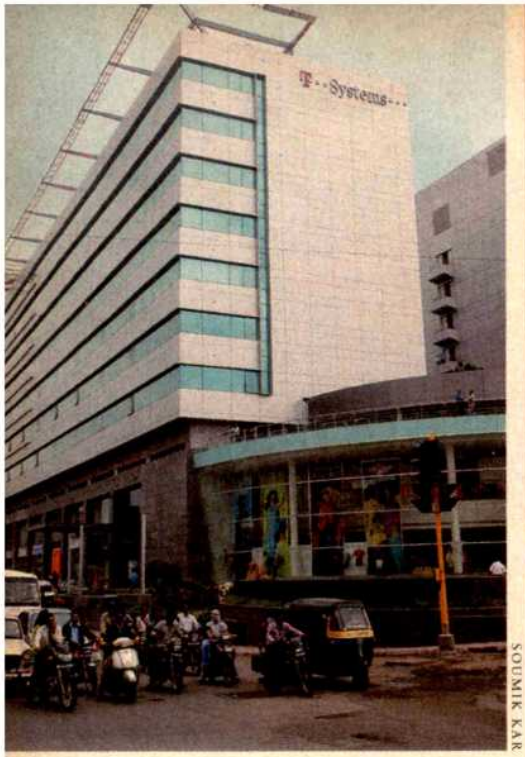


SOUMIK KAR

Traffic notwithstanding: Pune is a city on the move

for once, like the city administration to make up its mind. "One day they want to be 'Detroit of the East', and the next day the 'Oxford of the East'," he laughs. "It would make things easier if they could make up their minds." "We are lucky that Pune is connected by the best road in the country to the best port in the country," says Kalyani, "but it still takes my trucks three hours to travel the 10-odd km to the expressway." (He adds that Bharat Forge's new plant will not be in Pune). So, what does Pune have going for it? Anand Deshpande, CEO, Persistent Systems, maintains that it is "the most entrepreneurial city in India". "Bangalore and Hyderabad are about the big names," he adds. "Pune supports companies like ours (around 2,600 people), even much smaller than us." "Pune has a lot of young people wanting to work in companies like ours," says Mithi's Malaviya (total workforce: 32). And Kalyani points out that despite all its problems, Bharat Forge's Pune plant is "the best and most efficient plant" across all the company's factories. "There is no telling what this city can do if it got the right infrastructure."

KUSHAN MITRA

8

AHMEDABAD

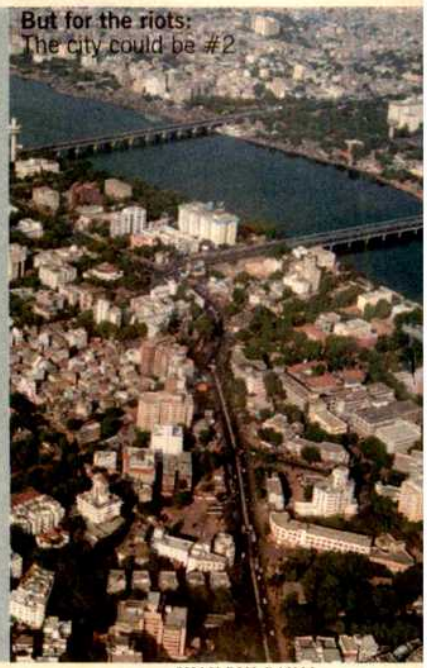
The Day-after City

Gujarat's capital may be at #8 in this listing, but it suffers serious image problems.

AHMEDABAD FACT FILE

- FOUNDED: 1411A.D.
- Area: 190.84 sq. km (Ahmedabad Municipal Corporation)
- Population: 4.8 million
- Road length: 1,057 km
- Industrial load shedding: Nil*
- Residential load shedding: Nil*
- Piped water: 24x7
- Commercial real estate rates: Rs 2,500/sq. ft
- Residential real estate rates: Rs 2,000-2,500/sq. ft
- Teledensity: 450 per 1,000 people ^
- Average per capita white collar wages:
  Junior Manager: Rs 3 lakh per annum
  Middle Manager: Rs 9 lakh per annum
  Senior Manager: Rs 22 lakh per annum

*Does not include unscheduled power cuts
^ BT estimate
Sources: GoI, market estimates



But for the riots: The city could be #2

SHAILESH RAVAL

IN RECENT TIMES, GUJARAT HAS BEEN THROUGH AN EARTHQUAKE, communal riots and floods. There are also allegations in several quarters that the state has sponsored pogroms targeted at a particular community. The prime casualty of all these has been Ahmedabad's standing, notwithstanding the relatively high rank it has achieved here, as a centre of business. Without the riots, Ahmedabad, given that its infrastructure is arguably better than that of several southern cities that are riding the IT-wave, and its real estate less expensive than that in most other cities of its size, could well have been among the best cities for business in the country (not #1, perhaps, but a definite contender for #2 although this would have also required the city, which missed the IT wave, to do some serious catching up). Of signs of urban renewal, there are aplenty in Ahmedabad: wider roads, new malls, a new commercial district replete with a 25-storey hotel-cum-convention-centre (India's largest); and a Rs 1,000-crore riverfront project along the banks of the Sabarmati. The city, always renowned for its institutes of higher learning (IIM, NID, the state universities, and institutes run by the Nirma and Reliance groups) is a great place to do business, insists Vishnu Varshney, Managing Director, Gujarat Venture Finance Ltd (GVFL). His rationale? "Cheap real estate and good infrastructure." Even on the infrastructure front, however, all doesn't seem too well. Consumers in Ahmedabad pay as much as Rs 7.50 for a unit of power (possibly the highest in India, and the only upside is that the city almost never suffers a power outage).

KUSHAN MITRA

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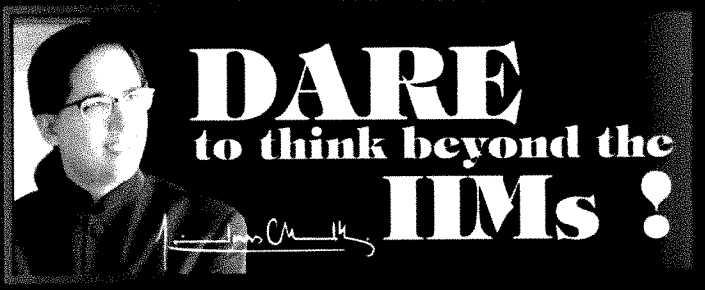

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9

MYSORE

Bangalore's Shadow

Proximity can well make a best city for business.

Poor sibling: Mysore is trying hard to catch up

DEEPAK G. PAWAR

MYSORE FACT FILE

- FOUNDED: 1399 A.D.
- Area: 128.42 sq. km (Mysore City Corporation)
- Population: 0.78 million
- Road length: 1,181.78 km
- Industrial load shedding: One hour every day
- Residential load shedding: One hour every day
- Piped water: Six hours every day
- Commercial real estate rates: Rs 1,500/ sq. ft (average)
- Residential real estate rates: Rs 1,000/ sq. ft (average)
- Teledensity: 10 per 1,000 people
- Average per capita white collar wages:
  Junior Manager: Rs 4-5 lakh per annum
  Middle Manager: Rs 10-12 lakh per annum
  Senior Manager: Rs 25 lakh per annum

Sources: GoI, market estimates

BANGALORE IS, WELL, BANGALORE. BUT 140 KM TO THE SOUTH of the city is an older, albeit smaller and less-famous sibling that's hoping that some of Bangalore's brand equity rubs off on it (and that it can actually benefit from some of Bangalore's ills). This is Mysore, and as Sid Mookerji, CEO, Software Paradigms, one of the first software firms to set up base in the city claims, "It is better planned in terms of infrastructure and boasts a better quality of life than some large cities." Today, there are some 40 software companies registered with the local STPI (Software Technology Parks of India), and a dozen more are reported to be hunting space in the city (exports have grown from less than Rs 1 crore in the early 1990s to Rs 392 crore in 2005-06). "Mysore is at least 25-30 per cent cheaper than Bangalore across parameters," says R. Guru, Chairman, NR Group, and a former president of the local chamber of commerce. And, with a 250-acre textile park (at Kadkola, on the city's periphery), Mysore is also hoping to feed off Bangalore's status as India's software capital. Whether the infrastructure can cope with all that success is something that only a bit of the commodity (success) can tell.

RAHUL SACHITANAND

10

VIZAG

Day-time Destination

Andhra Pradesh's second most important city still has ways to go.

K. BHASKAR RAO

VIZAG FACT FILE

- FOUNDED: 1858 A.D. (Visakhapatnam Municipality)
- Area: 450 sq. km (Greater Visakhapatnam Municipal Corporation area)
- Population: 1.34 million
- Road length: 1,007 km
- Industrial load shedding: Nil*
- Residential load shedding: Nil*
- Piped water: About one hour ever day
- Commercial real estate rates: Rs 2,500-3,000/ sq. ft
- Residential real estate rates: Rs 1,500-1,800/ sq. ft
- Teledensity: 240 per 1,000 people
- Average per capita white collar wages:
  Junior Manager: Rs 1-3 lakh per annum
  Middle Manager: Rs 2-15 lakh per annum
  Senior Manager: Rs 15 lakh per annum

*Does not include unscheduled power cuts
Sources: GoI, market estimates

FOR A CITY THAT IS IN THE TOP 10 IN THIS MAGAZINE'S listing of the best cities for business, Vizag has a strange shortcoming: planes cannot land in its airport after 3 p.m. (the ostensible reason is that this could pose a security threat to the navy's eastern fleet that is based in the city). Despite that minor blip in connectivity, however, Vizag, its loyalists (and there are plenty of them) swear, has enough going for it. "There is harmony on the industrial relations front here," gushes Y. Siva Sagar Rao, Chairman and Managing Director, Rashtriya Ispat Nigam Ltd (also Vizag Steel). Then, there's the fact that Vizag has enough engineering colleges of its own, and serves as a catchment area for engineers from Orissa. "The main attraction (for us) is the talent pool," says T. Hari, Director and Senior Vice President (HR), Satyam Computer Services, which is looking to grow its operations in the city. And the state government is pushing the city as an alternative hub for the pharmaceuticals industry (capital Hyderabad is already one), something that has encouraged firms like Dr Reddy's Laboratories to make substantial investments in it. All that should count.

E. KUMAR SHARMA

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HOW WE DID IT?

The Weightages

DEMOGRAPHIC GROUP	WEIGHTAGE
CEOs and Industrialists	0.25
Self-employed professionals	0.25
Senior managers	0.15
Policy makers (Government officials and bureaucrats)	0.15
Spouses of executives	0.10
B-school students	0.10

The weightages were multiplied with the consolidated city scores to arrive at final rankings

The Respondent Universe

	Total	CEOs and industrialists	Self-employed professionals	Senior managers	Policy makers (Government officials and Bureaucrats)	Spouses of executives	B-school students
Total	1,584	103	211	684	170	208	208
Mumbai	328	25	40	151	26	43	43
Delhi	335	26	46	138	41	41	43
Bangalore	259	26	40	104	27	31	31
Hyderabad	223	10	30	97	26	31	29
Kolkata	216	6	25	97	26	31	31
Chennai	223	10	30	97	24	31	31

PINAKI PAUL

THE FIRST TIME *BUSINESS TODAY* PUBLISHED ITS BEST Cities for Business survey was in 1994. Since then, we have published five of those surveys, including this one. Our research partner this year was Synovate, a global market research firm. Here's how *Business Today* and Synovate went about the survey:

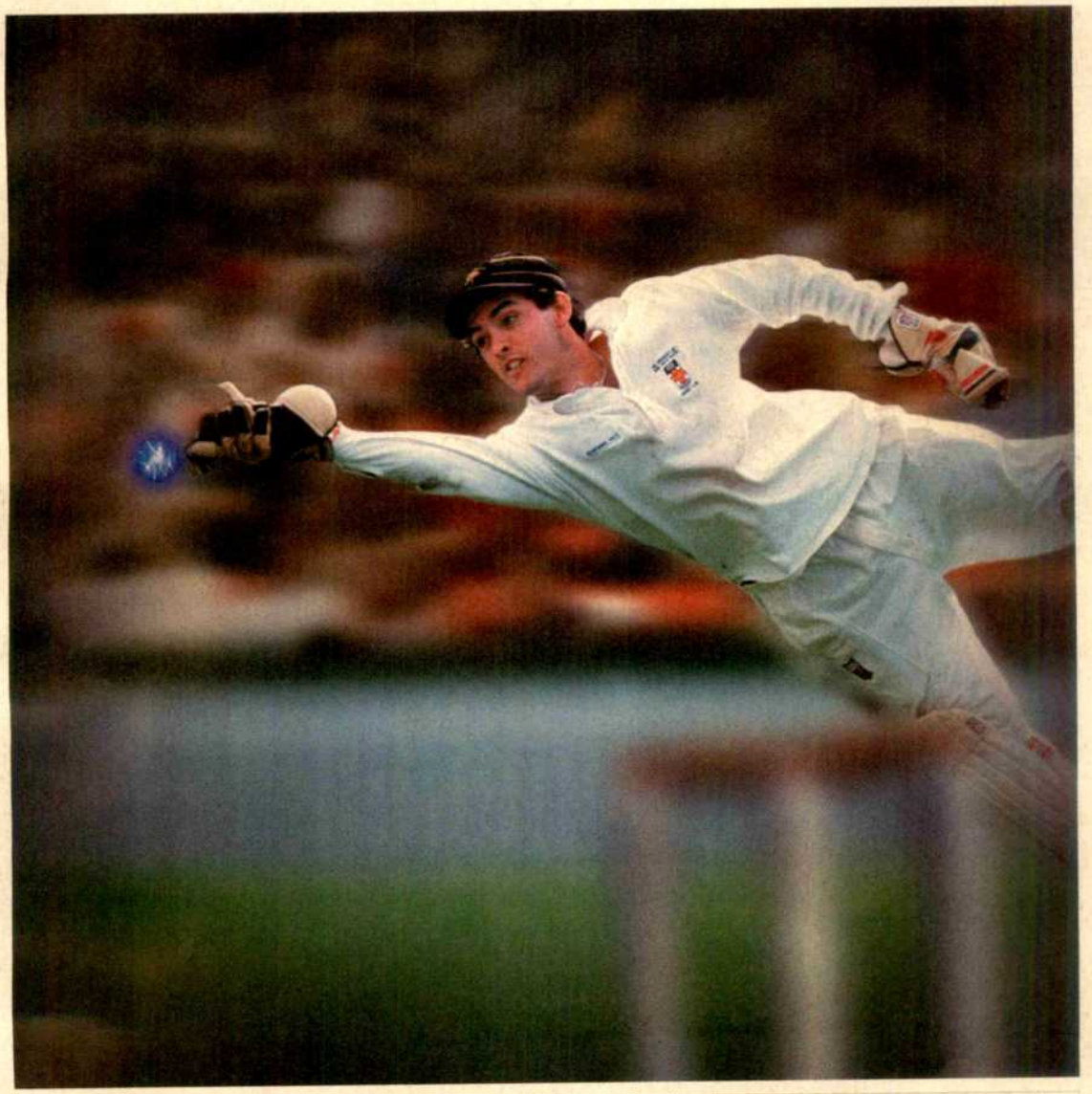
The Objective: The rationale behind the survey has always been the same: To rate India's top cities in terms of their business appeal. Broadly, we wanted to find out the quality of work life, the quality of social life and suitability for doing business.

The Universe: The most important 18 Indian cities—Mumbai, Bangalore, Delhi, Chennai, Hyderabad, Kolkata, Pune, Ahmedabad, Mysore, Vizag, Coimbatore, Nagpur, Surat, Lucknow, Jaipur, Indore, Kanpur and Patna—were identified for inclusion in the survey.

Respondents: The research was conducted among a select group of respondents, picked from six different categories: CEOs and industrialists; self-employed professionals; senior managers; policy makers (government officials and bureaucrats), spouses of executives, and B-school students. A total of 1,584 respondents were polled, spread over Mumbai, Delhi, Bangalore, Hyderabad, Kolkata and Chennai. Synovate researchers conducted telephonic interviews using a structured questionnaire. Respondents who refused to be telephonically interviewed, were met personally.

The Parameters: To arrive at the Perceptual Score, 36 parameters were drawn up and broadly divided into four heads: Physical infrastructure, social infrastructure, labour and government support, and market potential. The parameters were assigned weightages depending on their importance as rated by the respondents. To arrive at the Objective Score, a master-list of parameters was drawn up. From this list, 10 parameters were culled for which statistics on the states, districts and cities were available. The data was obtained from a wide range of data banks.

The Scoring: The following method was used to arrive at the Perceptual Score. A net score was derived for every city under each parameter. All respondents voted to give a particular rating to each city on each parameter. The ratings were on a 10-point scale. Following this, each parameter was given a specific weightage based on the number of respondents who had voted it to be important or not important as far as its contribution to the overall attractiveness of the city as a business destination is concerned. This gave the perceptual scores among each respondent category for all the parameters. For the Objective Score, the available data for each particular parameter was considered—for example, the total length of roads in a city, the presence or absence of airports and traffic conditions. Some of the negative parameters such as crime rate and pollution were, however, assigned scores in a reverse order—a minus one for 'high' and a plus one for 'low'. The overall score for each city was arrived at by giving a weightage of 0.7 to the Perceptual Score and 0.3 to the Objective Score. Finally, to come to the individual city score, the following weightages were multiplied to the consolidated score: CEOs and Self-employed professionals were assigned a weightage of 0.25 each, Senior managers and Policy makers (Government officials and Bureaucrats) 0.15 each, and Spouses of executives and B-school students 0.10 each. ■



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Stirred Creative

Confessions Of A Rural Marketer

Archna Shukla gets marketer John Doe to spill the consumer industry's best-kept secret: No one has a clue how to sell profitably to the bottom of the pyramid. When marketers say rural, they actually mean small towns. Read on.

VIVAN MEHRA

HI. YOU KNOW ME. I am your typical marketer: I've done the drill; been to an engineering college, onwards to a B-school, before landing up at this big marketing machinery. My job, as that of everyone else in my profession, is to figure out how to sell to you, the consumer, more and more of what my company makes. And today, I am going to make a confession, tell you a secret, if you will: Thank you, C.K. Prahalad, but none of us knows how to sell to India's teeming poor, almost all of whom live outside of our big cities and towns. Yes, you do have urban poor, but they are not really poor—at least, compared to the rural poor. So, here I go:

Do me a favour, shoot the guy who said that India was a market of one billion people. There is no denying the fact that Indian market, being one of the fastest growing in the world, offers immense prospects, but the fact is big opportunities exist only at the top of the pyramid, comprising around 300 million people, and not at the bottom, as many marketers would have you believe. The truth is that almost 60 per cent of the market, which is loosely called rural, is yet to turn into a real market. Right now, it is just a promise. In fact, many a hapless marketer like me who took the plunge into this "unexplored virgin market" in the hope of hitting a goldmine has come back bruised (just ask my friends at Coke and Pepsi). Sure, there are guys at Hindustan Lever and ITC Foods who are at it. But for them, it is an investment in the future and not a present opportunity. And those who claim to be making hay from rural markets, are not talking of real rural markets at all.

Don't believe me? Listen to what this guy who spent a lot of time spearheading HLL's rural initiative, Project Shakti, until just about a year ago told me. "Topline or bottom line, growths should not be the objective of getting into rural markets. For as of now, all these markets offer is a future opportunity. One can't really make fortunes out of these markets as yet," said Sharat Dhall. He says the investments being made, both in terms of efforts and capital, in rural markets would take a long time to yield worthwhile results. "Rural marketing, as of now, is all about seeding the markets, creating awareness about brands and promoting a culture for consumption," he told me recently.

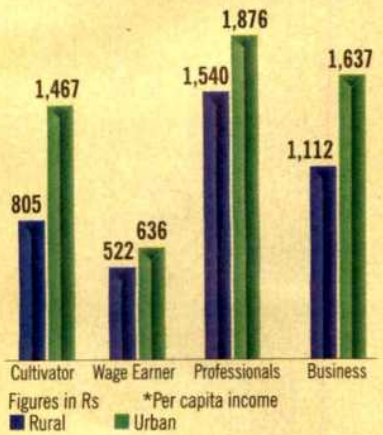
Guess what? Dhall's isn't the lone voice. "Rural markets provide a marginal utility (as of now). Incremental margins from these markets are not huge," S. Sivakumar, Chief Executive (Agri Businesses), ITC, confided in me recently. Part of the problem is that penetrating a rural market takes a lot of money, thanks to the poor infrastructure (see *Challenges In Rural Marketing*), bigger and diverse nature of these markets and low per capita incomes of consumers. "It's only those who have a cost-effective distribution channel like ours can sustain themselves in these markets," explained Sivakumar, trying hard not to boast. I agree with him. According to Census of India 2001, around 750 million of our countrymen live in some six lakh villages. The 35 metros (mainly state capitals) house only around 110 million people, 359 Class-I towns have 90 million and the urban rest, which is around 4,000 towns, houses another 90 million. Interestingly, HLL and ITC, which my friends tell me are the most spread out companies, have a direct presence in only around 2-2.5 lakh villages and another 1-1.5 lakh are connected through Project Shakti and ITC's e-choupal. (My peers at consumer durables and automotive companies haven't even touched the real villages as yet). The rest, as is evident, have yet to be cracked.

A Misplaced Bet?

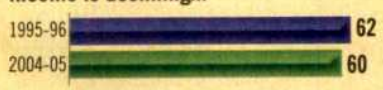
I know what you are itching to ask me: Why did we start looking at the rural markets at all? Well, there was a time—in the late 90s and early 2000—when we marketers

Rural Vs Urban: The Big Picture

The rural purchasing power* is lower...



...Share of rural income to national income is declining...



Figures in per cent

...And ratio of rural to urban per capita income is increasing.

Source: NCAER

GRAPHICS BY PINAKI PUAL

Challenges In Rural Marketing

- **Poor infrastructure:** Only 40 per cent of the villages have access to good roads and although on paper 90 per cent of the villages are electrified, only a third of the rural house holds have electric connections
- **Poor availability of shops:** Around 30 per cent of the villages have no regular shops, forget about proper distribution chains
- **Poor literacy rate:** According to Census 2001, rural literacy was at 59.4 per cent against urban literacy of 80.3 per cent
- **Poor media penetration:** Only 57 per cent of the total rural households have access to mass media of any kind. Of these, 23 per cent have access to print media and 36 per cent to TV

thought that to continue growing, we would need to tap rural markets. "Urban markets seemed more or less saturated around early 2000. Back then, disposable incomes were spent on durables, vehicles, houses and entertainment, while spends on FMCG were taking a beating," my friend who heads the home and personal care business at an FMCG major told me the other day when we were talking about rural markets. In other words, rural India was virgin territory and, hence, a land of great promise.

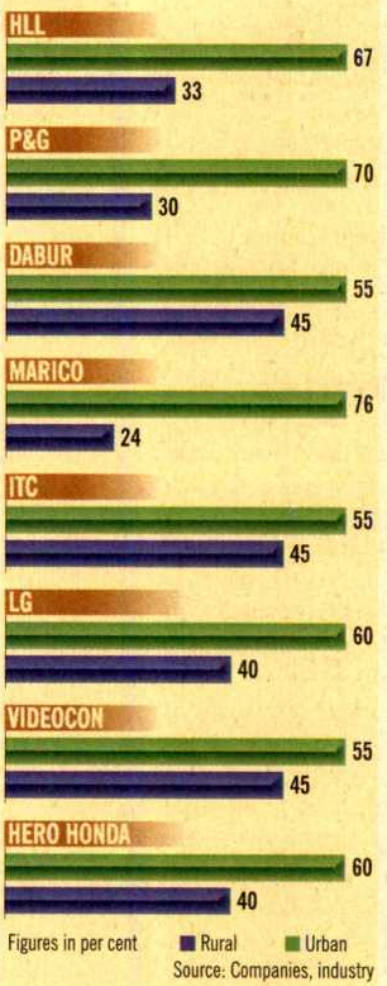
The result was companies such as HLL, P&G, ITC, Coke and Pepsi made a beeline to rural households. In a bid to make their products more relevant to rural consumers, they either cut prices or launched smaller and cheaper versions. The strategy helped as volumes in most cases grew tremendously. "Our volumes grew 39 per cent in 2003-2004 because of a huge walk-in from rural consumers," a top cola company executive I know told me a few days ago. But soon, it started hurting because the growth in volumes was not commensurate with value. "We were to realise the mismatch a little later as the value growth was only around 20-25 per cent," he added.

Soon, it became evident that rural markets were a tough nut to crack. Most companies took a hit on their bottom lines and came back a little wiser. Most of them increased prices—HLL and P&G, for instance, rolled back the price cuts initiated in 2003, Coke and Pepsi increased prices by 30-40 per cent last year, and LG and Samsung, which played their own version of price-cutting game to attain volumes, also increased prices of their products this year. "Rural markets don't lend a model for value growth," I remember Dhall telling me. Another of my friends at LG, Girish Rao, who is Vice President (Sales), said something interesting too: "Value-led growth comes from the top-end premium products, which are not relevant for rural markets." "Rural markets are about low-price high volume growth," says ITC's Sivakumar.

Actually, the point Rao and Sivakumar are making is corroborated by an ACNielsen study, which reveals that villages (around six lakh as mentioned earlier) contributed 30 per cent to total FMCG consumption in 2005, while the top 35 towns contributed 29 per cent. While, on the face of it, it might seem that opportunity at the bottom and the top ends of the market is almost the same, experts I know point out a dichotomy. "The 30 per cent rural demand came in from 750 million consumers, whereas the 29 per cent demand was on account of only 110 million consumers living in the top 35 towns," Bhuwan Singh, Director (Client Services), ORG-GFK, had pointed out to me recently. Put differently, rural markets have yet to achieve an economy of scale and become more accessible to warrant a business model around them.

The Split

Ratio of urban and 'rural' revenues of top marketers.



Source: Companies, industry

SHAMIK BANERJEE

Survival strategy: ITC's Sivakumar sees the answer in cost-effective distribution

Not Quite Rural, Then?

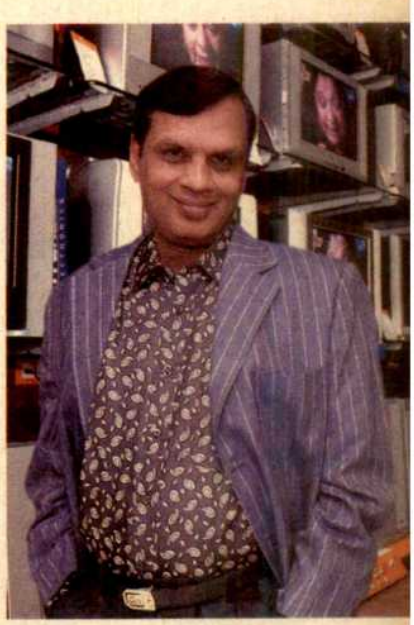
'So what about companies that claim to be deriving 30 to 40 per cent of their sales from rural

Just What Is Rural?

It is not what it is considered to be.

ACCORDING TO THE CENSUS OF INDIA, VILLAGES WITH CLEAR SURVEYED BOUNDARIES NOT HAVING a municipality, corporation or board, with density of population not more than 400 sq. km and with at least 75 per cent of the male working population engaged in agriculture and allied activities would quality as rural. According to this definition, there are 585,764 villages in the country. Of these, only 0.5 per cent have a population above 10,000, and 2 per cent have population between 5,000 and 10,000. Around 50 per cent of the villages have population between 200 and 1,000, and another 18 per cent has a population less than 200.

Interestingly, for FMCG and consumer durable companies, any territory that has more than 20,000 and 50,000 population, respectively, is rural market. So, for them, it is not rural India which is rural. According to them, it is the Class-II and III towns that are rural. According to the Census of India 2001, there are more than 4,000 towns in the country. It has classified them into six categories—around 400 Class-I towns with one lakh and above population (these are further classified into 35 metros and rest non-metros), 498 Class-II towns with 50,000-99,999 population, 1,368 Class-III towns with 20,000-50,000 population, 1,560 Class-IV towns with 10,000-19,999 population. It is mainly the Class-II and III towns that marketers term as rural and that partly explains their enthusiasm about the so-called "immense potential" of rural India.



UMESH GOSWAMI

Defining rural: Go by the head-count, says Videocon's Dhoot

markets?' you ask me. My answer: Ask them how they define rural. Incidentally, I did ask my buddy P. S. Sunder, who heads marketing at Hero Honda, that and this is what he had told me: "Rural is defined by the character of the territory. Loosely, we term 400 towns beyond top 50 as rural." Around 7.5 million two-wheelers were sold in the country in 2005 and, according to Sunder, 35 per cent of these were sold in 'rural markets'. Interestingly enough, according to IRS 2005 data, only 8.4 per cent of rural households have two-wheelers.

Consumer durable companies like LG, Samsung, Videocon also follow more or less the same definition. I remember Venugopal Dhoot, Chairman, Videocon Group, telling me: "For us, markets with a population of less than one lakh are rural." He's another one who claims to be generating 45 per cent of his sales from rural markets, and once again, penetration figures for various product categories don't support such claims. According to IRS 2005, colour television penetration in rural households was only 11 per cent, black and white TVs were no better at 19 per cent and refrigerators, a bare 4.2 per cent. "For most marketers, rural is semi or non-urban, which is not actually rural," is what Madhukar Sabnavis, Director (Discovery and Strategy), Ogilvy & Mather, had told me when I called to check.

Don't get us marketers wrong, though. When we say that rural India has immense potential, we really mean semi-urban, which is the towns beyond the top 35. And it is not just instinct that tells us so. The ACNielsen study, for example, terms the Class-I towns housing 90 million people as emerging India. The study says that though metros remain the hot-spot of consumption, Class-I towns offer future growth. As my friend Singh says, the benefits of a growing economy are gradually trickling down to this population. The per capita income is on the rise and hence, consumers are exhibiting a propensity towards consumption. This explains the enthusiasm of the marketers about the so-called rural markets.

Although this is my story, I'll let my buddy Rahul Malhotra, Head (Marketing), P&G India, have the last word: "There is potential for growth at all levels. It is only that winning in rural and urban India requires different go-to-market approach," he keeps telling me. But as any book on strategy will tell you, you can't be everything to everyone. You have to pick your customers. That means, the real rural markets will have to wait till we get to them. ■

ADDITIONAL REPORTING BY PALLAVI SRIVASTAVA

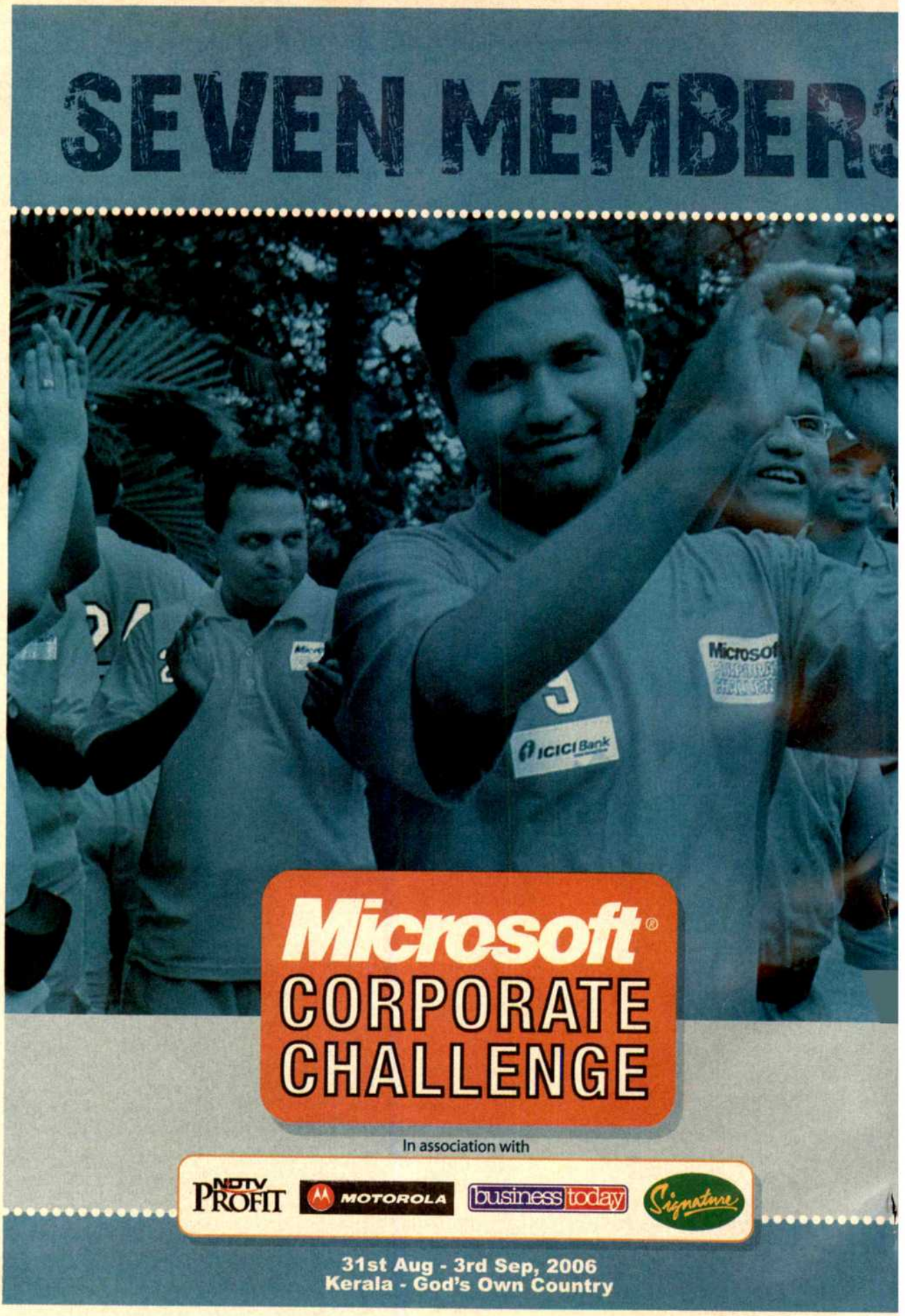
The Indian *Bazaar*

The top 20 per cent of consumers account for almost half the market.

2005	Number of towns/ villages	Population (in crore)	Contribution to FMCG sales (%)	CAGR* (%)
Metro	35	11	28.7	7.8
Class-I	359	9	18.7	2.8
Urban rest	3,974	9	22.4	2.5
Rural	585,764	75	30.1	1.9

*Compounded annual growth rate

Source: ACNielsen ORG-MARG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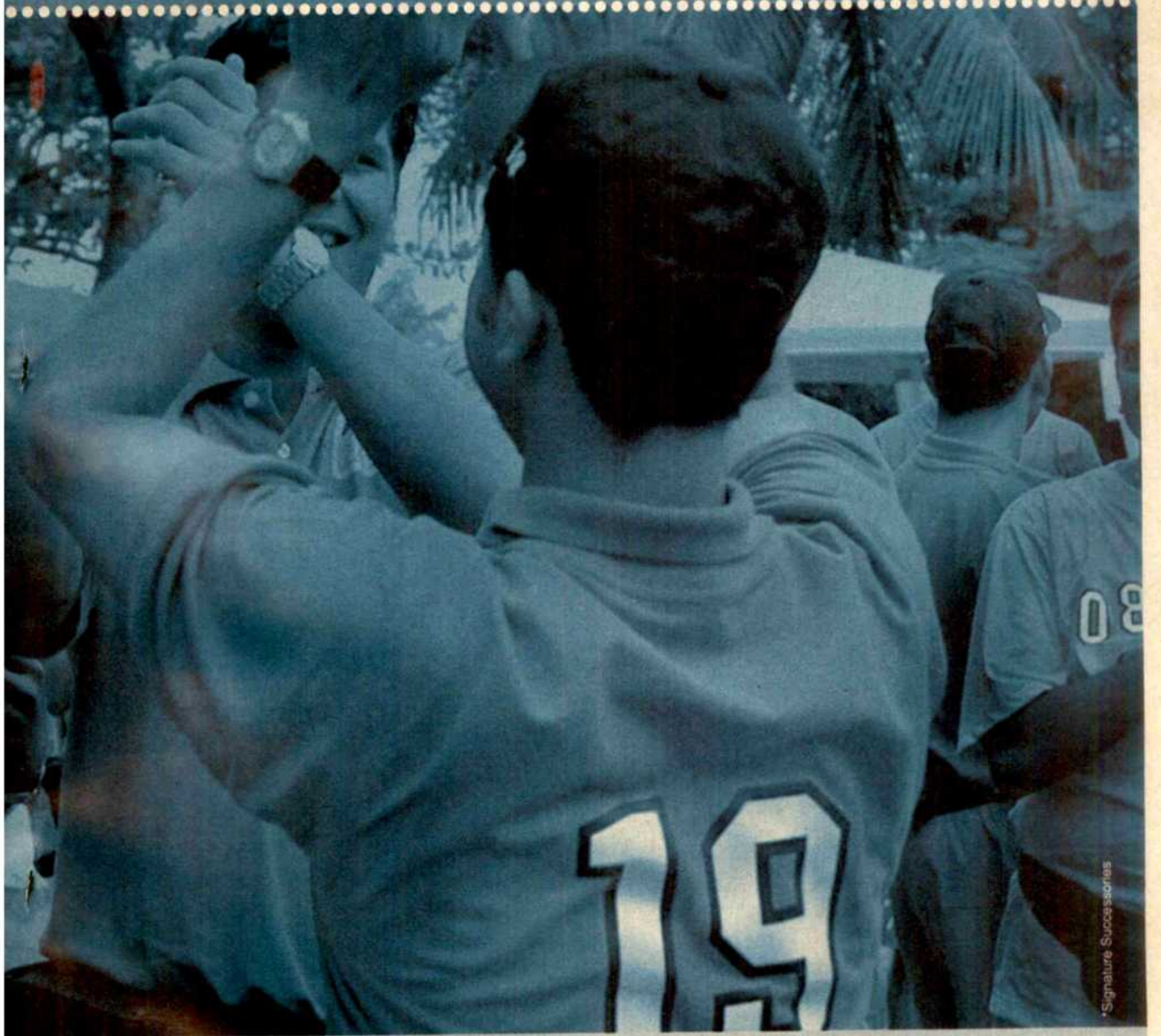

n its second edition this year, the Microsoft Corporate Challenge is India's first inter-company team-building elevised competition. Based on a hugely successful international format, the competition will pit 50 teams from ndia's most respected corporates against each other in the ultimate stress test of physical agility and endurance, trategic acumen, and above all, team spirit. So get ready to run, row, cycle, construct, decipher and decode. And know this - that companies who bond together will outperform those characterised by individual brilliance. So does your company really have what it takes? Are you ready to roll?

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"BASED ON OUR EXPERIENCE, WE BELIEVE WE NOW HAVE TO WORK AT TWICE THE PACE IN INDIA"

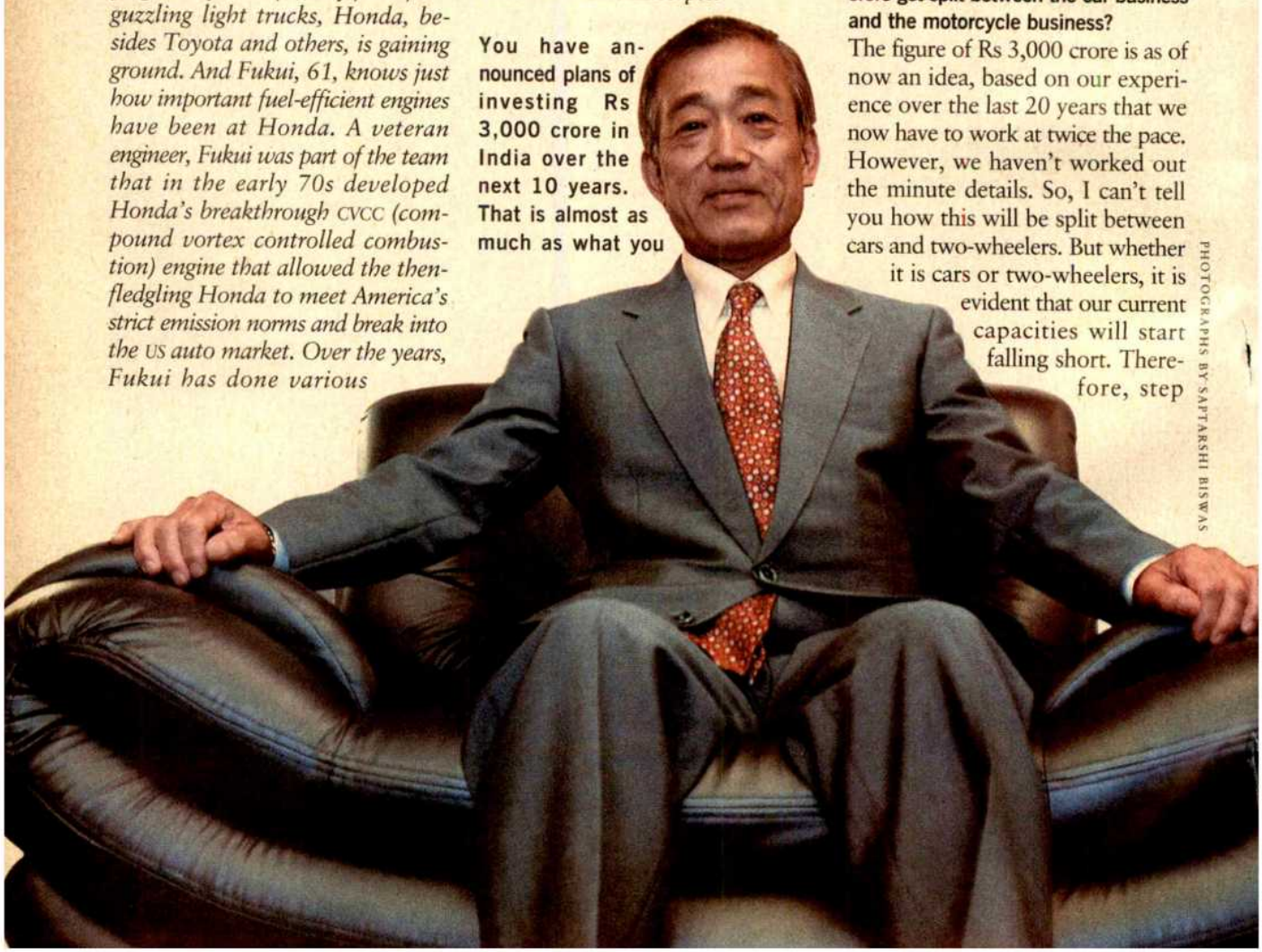
SPIRALLING FUEL PRICES IS *terrible news for the global automotive industry. But if you are* **Takeo Fukui**, *President and* CEO, *Honda Motor Co., you can afford to worry a little less about it. After all, Honda Motor's calling card is its fuel-efficient engines. So, even as the Detroit giants, General Motors and Ford Motor, find their market shares slipping as buyers shift away from fuel-guzzling light trucks, Honda, besides Toyota and others, is gaining ground. And Fukui, 61, knows just how important fuel-efficient engines have been at Honda. A veteran engineer, Fukui was part of the team that in the early 70s developed Honda's breakthrough* CVCC *(compound vortex controlled combustion) engine that allowed the then-fledgling Honda to meet America's strict emission norms and break into the* US *auto market. Over the years, Fukui has done various tours of duty at Honda, including stints with Honda Racing Corporation and Honda of America Manufacturing. Recently in India to unveil Honda's new car, the Civic, Fukui seemed upbeat about the company's businesses in India. Taking questions in English, but answering in Japanese, Fukui, on his fifth visit in 15 years, spoke to* BT's **R. Sridharan** *on Honda in India and elsewhere. Excerpts:*

You have announced plans of investing Rs 3,000 crore in India over the next 10 years. That is almost as much as what you have invested in the country over the last 20 years. Obviously, you are very bullish on India.

Although Honda has been in India for more than 20 years, there has been a sudden growth over the last five years compared to the previous 15. So, generally, things look much more upbeat in India today.

How will this investment of Rs 3,000 crore get split between the car business and the motorcycle business?

The figure of Rs 3,000 crore is as of now an idea, based on our experience over the last 20 years that we now have to work at twice the pace. However, we haven't worked out the minute details. So, I can't tell you how this will be split between cars and two-wheelers. But whether it is cars or two-wheelers, it is evident that our current capacities will start falling short. Therefore, step



PHOTOGRAPHS BY SAPTARSHI BISWAS

by step, we have to keep investing in increasing those capacities.

What would you say are Honda's key learnings in India over the last two decades? Is there something that still frustrates you about the Indian market?
Our major, long experience here has been doing the motorcycle business at Hero Honda, and based on that, we were able to understand the differences between the Indian society and the Japanese society. During that time, we've had some difficulties, difficulties in managing a joint venture. For example, wrapping up the Kinetic Honda joint venture. Therefore, if we have to do business in India, which is different from, say, Japan, having a joint venture with a local partner who understands the nitty-gritty is definitely a plus.

However, there would be some amount of frustrations also. Currently, we are doing extremely well, with good relationship with all our joint venture partners. However, as you would know, we also have had an experience where it did not go very well. Therefore, in motorcycles, we plan to go ahead with a nicely managed joint venture for a long time. And to be able to do that, one of the strategies is to set up a fully-owned subsidiary. To explain further, the Indian market, as far as two-wheelers are concerned, is so big that possibly two companies are required to service it effectively.

But what is the future of your relationship with the Munjals? I know that you have renewed your JV agreement with them until 2014. But do you see the relationship extending into the third generation of the Munjals?
As of now, we are thinking exactly along those lines.

Why did Honda set up a separate two-wheeler company instead of expanding capacity at the joint venture company?
As far as JVs are concerned, while overall relationship may be good, there are times when, or some issues where, there may not be a common understanding or consensus. Therefore, one of the ways of doing that is to have a company that acts as a healthy competition. If there is a healthy competition between the two (Hero Honda and Honda Motorcycle and Scooter India), then each company is going to move in the right direction. I think the key point here is the customer, and anything that does not satisfy the customer is something we would not like to do. And one pitfall or downside here is when you become very big, there are chances that you start overlooking the customer. Therefore, even though it is a 100 per cent (Honda) company, it will work well is a confidence we do not have as of now. Therefore, the partnership is required.

"THINGS LOOK MUCH MORE UPBEAT IN INDIA TODAY"

What sort of a value does your Indian partner in the car business bring, given that Honda owns more than 99 per cent of the company?
To start with, it will become 5 per cent as was explained yesterday.

That's still a token ownership.
The partner brings value in the sense of, for example, labour issues or communication or coordination at various levels of the society. These are areas where they definitely bring value to the company.

Global automotive industry watchers say that Honda of late has become very aggressive. Is it because you sense an opportunity in the wake of soaring oil prices?
What you are saying may be correct to some extent. However, as far as the worldwide automobile industry is concerned, and that includes Honda, higher gasoline prices are a negative factor.

But the Japanese carmakers are growing. It's the Big Three (General Motors, Ford Motor Co., and DaimlerChrysler) that is losing market share. If you look at the June results, Ford and General Motors have taken big hits because they are essentially fuel-guzzling 'light truck' companies. Toyota has made major gains and even Honda has managed to grow a little bit, although not as much as Toyota.
This comparison is often made between the Big Three on the one side and Honda and Toyota on the other side. However, (the reason for market share gains) is not just the gasoline prices. What it includes is possibly the fact that customers appreciate the efforts that the companies (Honda and Toyota) are putting in on a variety of fronts, including fuel efficiency and various other technologies going into a car. Fuel efficiency is one part, safety is another, and resale value yet another. For example, one of the things we don't do is sell cars to car rental companies so that the customer gets the benefit of a higher resale value (Editor's note: Since car rental companies tend to turn over their fleet faster, the prices of their used cars fall faster). Competition in the market is getting tougher and tougher and, therefore, these small differentiations will become more and more evident to the customers.

There has been a lot of talk of India becoming some sort of a hub for small car exports. Do you think the potential exists? I know that you have announced plans of a small car, but will you manufacture here with an eye on exports?
As far as our thought process is concerned, we produce cars for the

local market. There may be some amount of export, say, 10 per cent of the total production, but we do not set up a plant in a country with the main idea of exporting. That is the Honda thought process.

When do you expect to launch a small car in India?
I can't answer that question. Actually, I do not even know because that is 100 per cent being handled by Mr (Masahiro) Takedagawa (Honda's India head).

How much longer do you think India will be a small car market? The trend is already changing; people are going for slightly bigger cars like City or Corolla.
Till the time cars like City or Civic don't become the mainstay.

How long will this evolution take?
It would be hard for me to give you a time frame.

How does Honda see the ancillary industry compared to what it was when you first came 20 years ago? Is the quality much better today?
If we compare the industry to what it was even 10 years ago, then I would say that things have improved so much that it is completely a different generation, a different era. Possibly this is because of the policies adopted by the Indian government, starting in the 90s that is now paying off.

I also believe that you are going to set up a second plant for cars. Will it be for small cars?
If we talk about the current plant, it started off with an annual capacity for 30,000 cars, now does 50,000 and may go up to a maximum of 100,000. However, from the point view of car production, one would like to have at least 200,000 in one plant; a desirable figure would be 400,000. And once you have volumes of 400,000, that is the scale at which we would be able to produce a car that is competitive by international standards. We'll only be 150,000 in another five years, so obviously we can't think of 400,000 as of now. But before that we need to first think and actualise the strategy for the next five years.

Toyota and Honda have been traditional rivals globally and now in India.
Competitors, not rivals...(laughs)

OK. Toyota has openly said that it wants a 10 per cent share of the Indian car market. What is Honda's strategy going to be vis-à-vis Toyota?
In the car industry, there are many competitors, but as far as we are concerned, what we constantly keep watching are not our competitors, but our customers. Therefore, we don't need to be very concerned about whatever our competitors are doing. But what is very important is how we are able to address the needs and expectations of our customers.

"WHAT WE CONSTANTLY KEEP WATCHING IS OUR CUSTOMERS, AND NOT OUR COMPETITORS"

Do you expect the GM-Nissan alliance

I wonder what's in it for me this month. Issue after issue, I get drawn in with little pieces of advice. On life. Relationships. And most of all, myself. Bits of humour. Quotes. Word power. Health and fitness. Even an eye-opening piece on understanding male emotions. Now, I am expressing myself better. I even understand what keeps her going. So when she says, "Yes", I am not surprised.

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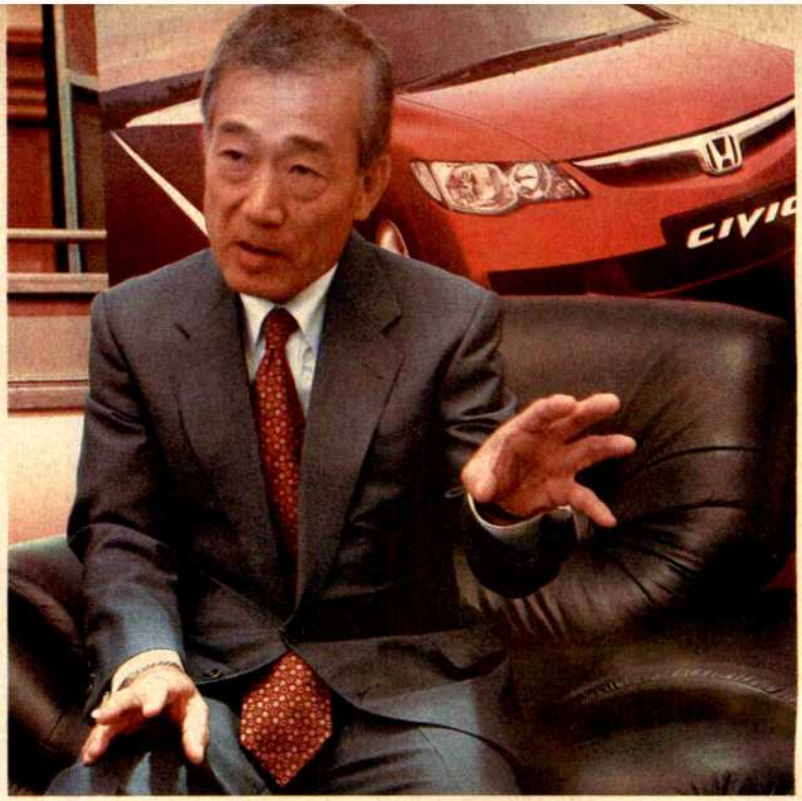


to go through. What is your reaction to this proposed deal?
I have also heard this news only from newspapers and media and not directly from the GM Management. Therefore, I am not in a position to make a comment as of now. I am afraid, I have no reaction to offer at present.

Do you see a future for General Motors or has it become a dinosaur?
GM definitely has a future. They have many brands that can do well. GM definitely will stay.

How do you see the future of the global auto industry? Many experts tend to believe that over the next 10 or 15 years, there will only be three or four players, and not 10 or 12 players.
I do not think that the number of players will fall to so few as you are saying, but definitely it will also not go up to many more than what there are currently.

"TILL THE TIME CARS LIKE THE CITY DON'T BECOME THE MAINSTAY, INDIA MAY CONTINUE TO BE A SMALL CAR MARKET"

In terms of the car technology itself, what is the direction in which the industry will go? Will hybrids and fuel cells become the mainstay and not the internal combustion engine?
If we talk about 10 years or 20 years down the road, I believe that fuel cell vehicles are something that will definitely become important and big in the market. In between that, various other technologies like diesel or hybrid may also be required.

When you took over as President in 2003, you said your "focus would be on establishing the technology that will drive the 21st Century auto market". What did you mean by that?
I specifically talked about fuel cell vehicles. That was one main point and second, of course, was about safety. We want to design cars that do not have accidents or that cannot be crashed even by rash drivers. So, basically, intelligent cars.

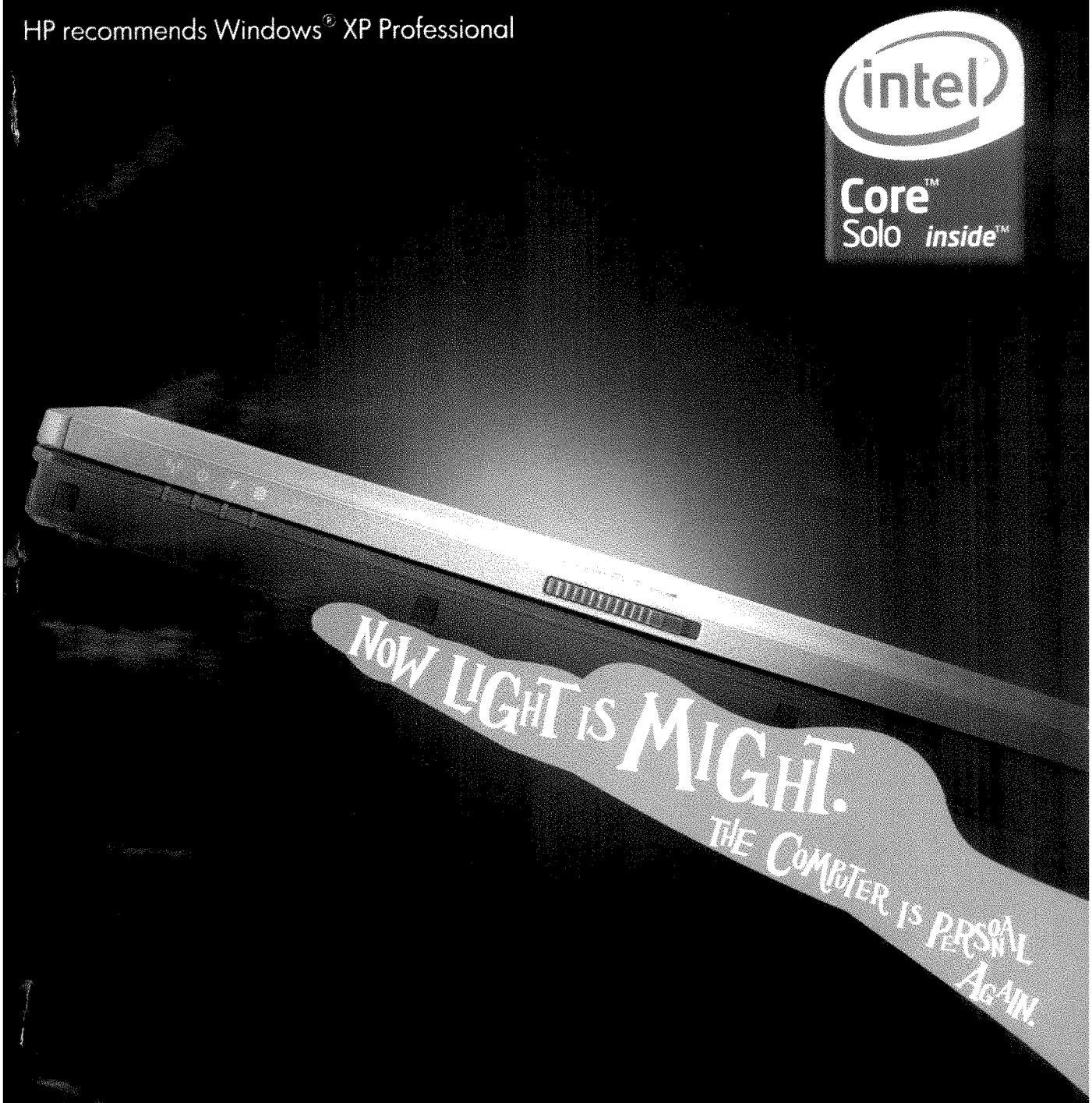
You are passionate about racing. Do you get to hit the tracks yourself or is that something you do not do anymore?
Even now I try and make time for myself to be able to get into the car and drive at our proving grounds or racing circuits. However, I have not had a chance to get into our (this season's latest) F-1 car (laughs).

Is that something you'll do when you get back to Japan?
I would like to do that, but whether the team will agree or not, I don't know (laughs). ■

Honda In India: A Diverse Play

OF ALL THE GLOBAL AUTOMOTIVE MAJORS, HONDA EASILY HAS THE MOST BUSINESS interests in India. Its best-known affiliate is, of course, Hero Honda Motors—a joint venture of 22 years that today is the single-largest manufacturer of motorbikes, churning out more than 3 million of them every year. Its other big venture is Honda Siel Cars India, a majority-owned subsidiary, where Delhi-based industrialist Siddharth Shriram owns a token stake. Set up in 1995, Honda Siel recently increased its capacity from 30,000 to 50,000 cars a year, and plans to touch 150,000 in another five years. Its sedan City has a 25 per cent share of the segment. About seven years ago, Honda also set up a fully-owned two-wheeler subsidiary, Honda Motorcycle & Scooter India, possibly to keep JV partners, the Delhi-based Munjals, on their toes. That apart, the Japanese auto major operates a genset firm (Honda Siel Power Products), an R&D outfit (Honda R&D India), and a trading company (Honda Trading Corporation India). At last count, the Honda companies in India had total revenues of Rs 13,500 crore. That's just a speck compared to Honda's consolidated global revenues of $84.34 billion, or Rs 3,87,964 crore.

HP recommends Windows® XP Professional



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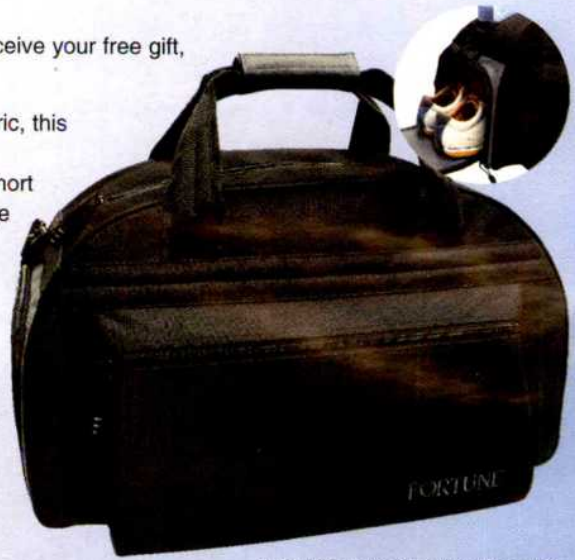

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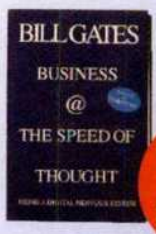

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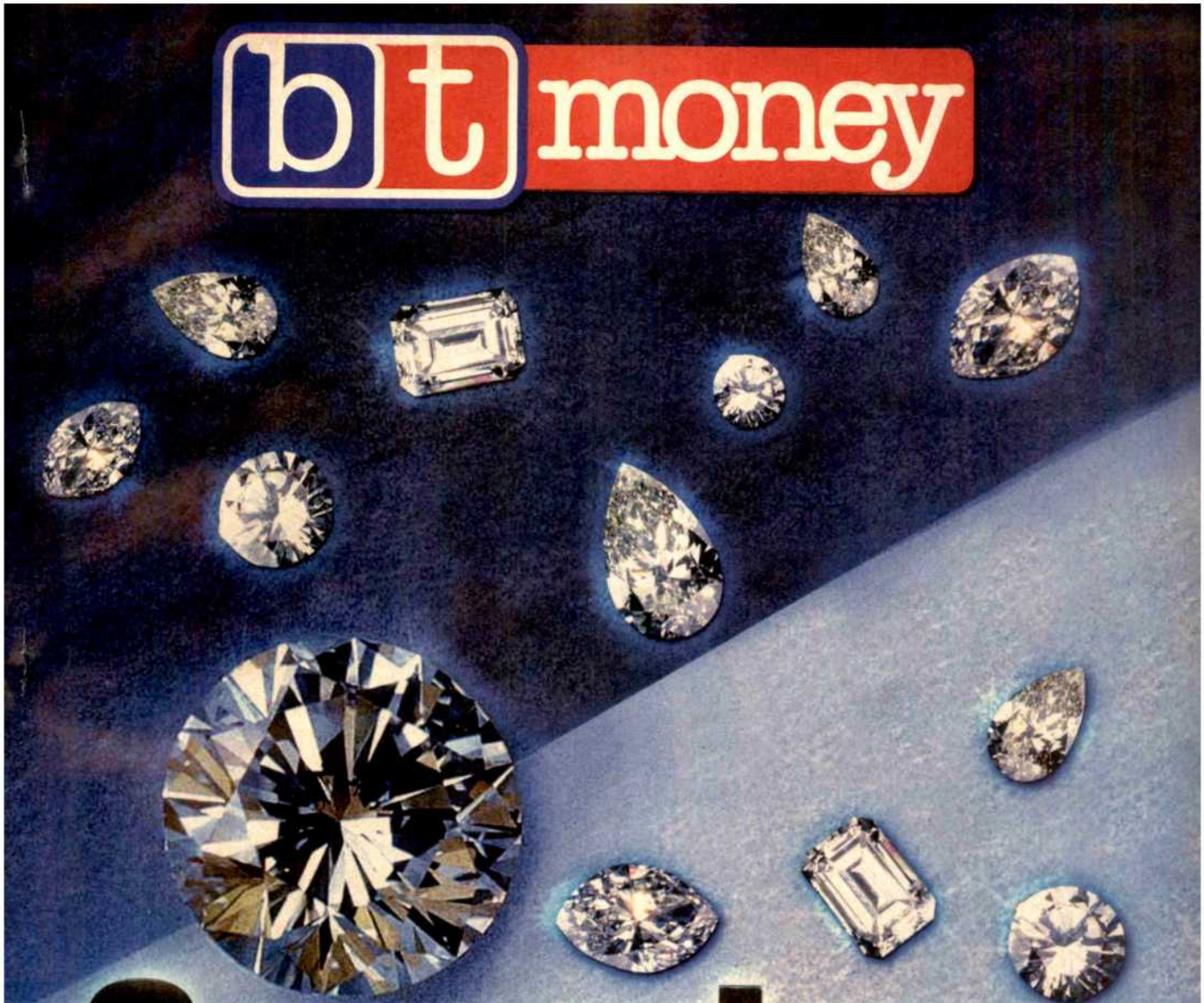


Secondary Values

Subsidiary companies that look as hot as their parents do

Retirement
Plan early, retire rich

Insurance
New-look UUPs

Spending
My car costs what?

Baby Boomers

They are not as famous as their parents, but they are growing up fast. India Inc.'s listed subsidiaries are proving to be portfolio plums. ANAND ADHIKARI

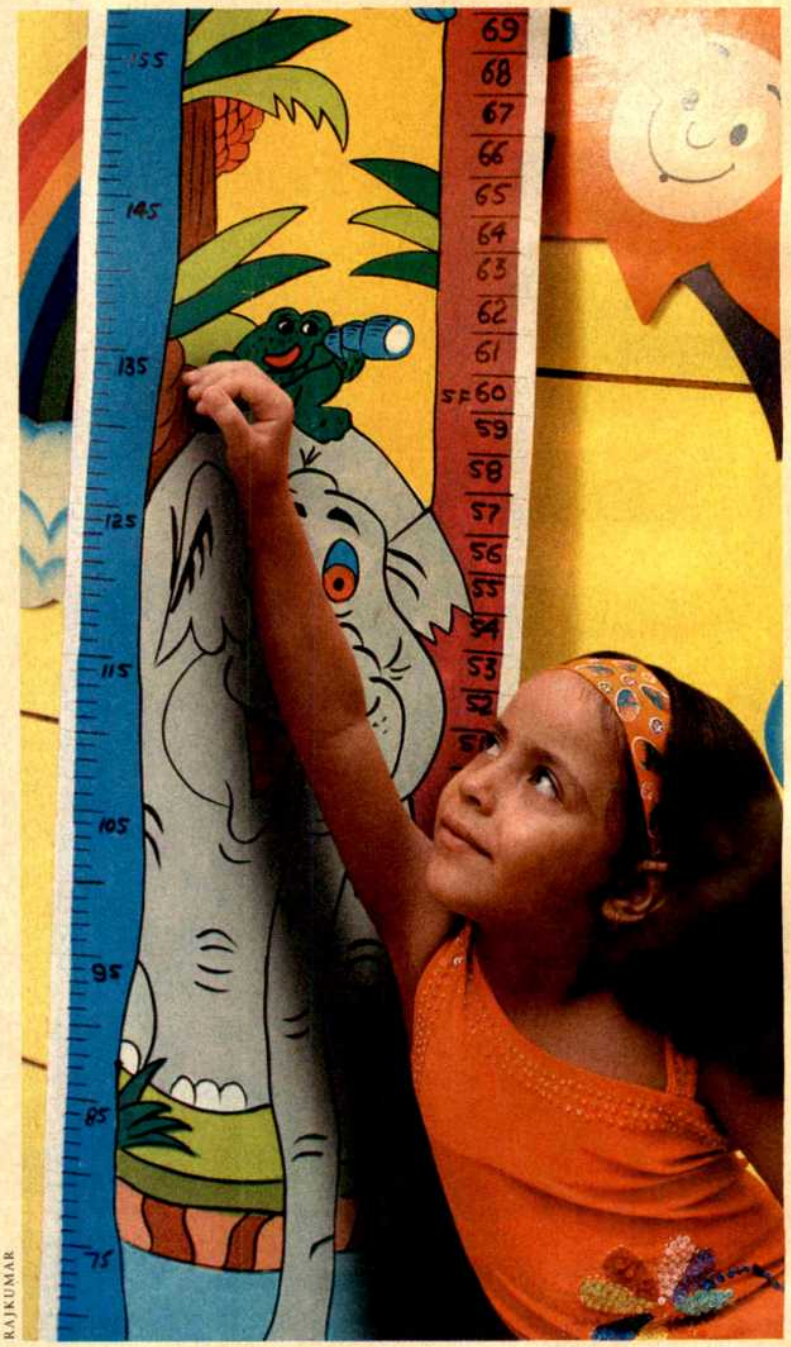
PACKAGING MATERIAL manufacturer The Tinplate Company of India Ltd (TCIL) reported sales of Rs 240 crore, net profits of Rs 2 crore and earnings per share (EPS) of Re 0.7 per share. That was four years ago.

Today, the company's sales have grown one-and-a-half times, profits have pole-vaulted 24 times and EPS has shot up to Rs 11.36 per share.

That's interesting. Even more interesting: did you know that TCIL is a 32 per cent owned subsidiary of the Rs 17,000-crore Tata Steel? TCIL's history dates back to 1920, when the country's entire requirement of tinplate (stamped-steel coated with tin to prevent rusting) was imported by this Jamshedpur-based company, then owned by Burmah Oil. In 1982, Tata Steel took over the management.

The contribution of TCIL to Tata Steel's mammoth turnover may be insignificant, but this low-profile firm has given smashing returns to investors. Somebody who bought into TCIL in July 2003 would have made 380 per cent on his investment in April 2006, when the scrip touched an all-time high of Rs 106. Now, when the scrip is in the Rs 60 range, his investment will have gained roughly 170 per cent.

Up until even the fairly recent past, such success stories and such investor returns were commonly associated only with the listed subsidiaries of multinationals like Unilever, Gillette, Procter & Gamble, or Asea Brown Boveri. Today, though, there are many such companies, little-



RAJKUMAR

known subsidiaries of the big boys of India Inc., busy spinning success stories in their own small, but significant way.

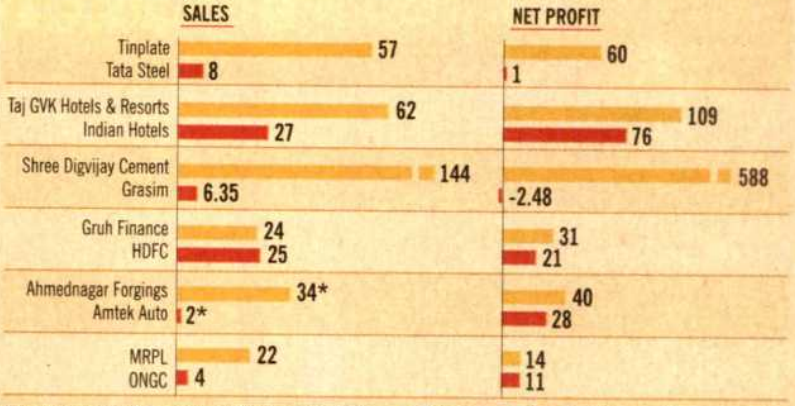
Whether Gruh Finance, an HDFC subsidiary that doles out small-ticket loans in rural India, or GVK, an Indian Hotels subsidiary that runs budget, luxury and business hotels, these businesses have made a splash. And the best bit? In many instances, they have outpaced their parents in turnover and profit growth (see *Junior Overtakes Dad*). The good news for investors is that these companies are sharing their growing wealth, and shareholders have been rewarded handsomely.

Most of these listed subsidiaries are the result of either an acquisition or the exit of a joint venture partner. The upturn in the country's economy in the past two to three years has provided an additional boost—propelling these growing companies into the fast orbit.

With the stock market's recent tumble, investors are chary of anything that does not look totally failsafe. Also, the obvious move today would be to stock up on the solid, blue-blooded parent companies themselves, given that the market volatility has made them available at a discount. If, however, you want to dig further for profits, this would be an appropriate time to look at some

Junior Overtakes Dad

The comparative performance of parent company and subsidiary shows the latter zipping ahead.



Figures are growth in per cent in 2005-06 over 2004-05 Subsidiary Parent *Nine-month current results; the accounting year for Ahmednagar Forgings and Amtek Auto is June-end Source: BSE

GRAPHICS BY PINAKI PAUL

Look Ma, No Hands

Expansion plans or raising funds, the subsidiaries are doing it all on their own.

SUBSIDIARY	BIG PLANS
Tinplate	To double capacity; to increase authorised capital from Rs 270 crore to Rs 326 crore
Taj GVK Hotels	To invest Rs 400 crore in luxury properties in Chennai and Hyderabad; to touch Rs 500 crore turnover by 2010
Gruh Finance	To issue Rs 60 crore rights offering; Targets over 30 per cent growth in housing finance portfolio
Shree Digvijay Cement	Closed a successful rights offer in July 2006; To focus on modernisation
Ahmednagar Forgings	To enhance die steel forging capacity from 60,000 tonnes per annum to 1.2 lakh TPA by fiscal 2007
Mangalore Refinery	To expand refinery capacity from 9 million tonnes per annum to 15 MTPA; To export 1 MTPA of petroleum products to State Trading Corporation (STC), Mauritius

Source: Market/Company

Sharing The Goodies

With growing success, subsidiary companies have started rewarding shareholders with bonuses and dividends.

SUBSIDIARY	PROOF OF SUCCESS	SCRIP FACTS*
Tinplate	12.5 per cent dividend (2005-06)	**CMP:** Rs 59 **High:** Rs 106 (April '06) **P-E:** 2.05
Taj GVK Hotels	100 per cent dividend (2005-06)	**CMP:** Rs 170 post-stock split **High:** Rs 689 (Oct. '05) **P-E:** 11.71
Gruh Finance	25 per cent dividend (2005-06)	**CMP:** Rs 120 **High:** Rs 166 (May '06) **P-E:** 11.71
Shree Digvijay Cement	In black after Rs 10 crore loss in '04-05	**CMP:** Rs 33 ex-rights **High:** Rs 668 (May '06) **P-E:** 0.38
Ahmednagar Forgings	2:1 bonus in September 2005	**CMP:** Rs 151 post-stock split **High:** Rs 556 (Sept. '05) **P-E:** 11.75
Mangalore Refinery	7 per cent dividend (2005-06) Accumulated losses wiped out	**CMP:** Rs 31 **High:** Rs 63 (May '06) **P-E:** 5.98

*CMP (current market price) as of July 18, 2006; all P-Es for FY07E earnings, except Shree Digvijay Cement (trailing FY06)

Source: BSE, Market

offbeat investment options. We pick here six subsidiaries, backed by solid management and good performance, which look promising for the long term. And they are going cheap.

Ancillary Story

"Buying subsidiaries is the cheaper route to an exposure in the parent company, but investors should always consider issues like corporate governance and minority interest. If a merger is on the cards, find out how long the waiting period will be," says Deepak Jasani, Head (Retail Research), HDFC Securities.

Traditionally, subsidiaries were often used by parent companies to dole out controversial, interest-free loans to promoters. In fact, there were corporate governance issues like company affairs being indirectly managed by the parent firm despite the presence of an independent management.

Some of these issues seem to have been sorted out now, at least by the high-profile companies. Today, subsidiaries have found their own identity and stay at arm's length from their parents. They raise resources independently, through rights offering, borrowings from the market, or through internal accruals (see *Look Ma,...*). Financial independence means managerial freedom. Shree Digvijay Cement, for instance, just closed a Rs 132-crore rights offer issued to meet fund requirements.

Growth has also come from the ambitious expansion programmes these newly confident companies have launched. Says R. Swaminathan, Associate Vice President, IDBI Capital Market Services: "Expansion plans at huge outlays augur well for companies like Tinplate, Mangalore Refinery and Taj GVK. Capacity addition and timely project completion will provide much value-addition in the days to come."

Taj GVK plans to invest Rs 400 crore in new properties at

The Flip Side

As fast as they are growing, subsidiaries still have problems like low market cap and poor liquidity.

Figures are market cap in Rs crore as of July 18, 2006
Source: BSE

CEO Speak

SOUMIK KAR

NAME:
G. INDIRA KRISHNA REDDY
MD/ Taj GVK Hotels & Resorts

"We plan to increase our room inventory at Taj Krishna Hyderabad by adding 125 new guest rooms"

NAME:
SUDHIN CHOKSEY
MD/ Gruh Finance

"Our strategy is to have offices in all the districts and then cover talukas and villages"

UMESH GOSWAMI

NAME:
D.D. RATHI
Director/ Grasim

"After turning Shree Digvijay Cement around in two years, our focus will now be on plant modernisation"

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Hyderabad and Chennai, aimed to increase its inventory to 1,400 rooms that will open commercially between fiscal 2007 and 2010. According to Motilal Oswal Securities, the demand-supply ratio of hotel rooms in Hyderabad is looking hot. A recent report says: *The average occupancy rate in Hyderabad in April-May 2006 stood above 82 per cent, with an average room rate of Rs 8,600.* "We are increasing our capacity at Taj Krishna Hyderabad with an additional 125 guest rooms, taking our total room inventory to 385. The new rooms are likely to be operational by 2009-10," says G. Indira Krishna Reddy, MD, Taj GVK.

In Gujarat, HDFC subsidiary Gruh Finance has witnessed a smart 17-18 per cent growth, compounded annually, in the last few years. "Our strategy is to have offices in all the districts and then cover talukas and villages," says Sudhin Choksey, MD. His company also plans to issue a Rs 60 crore rights offer shortly.

Meanwhile, TCIL plans to double capacity by 2008. Says MD B.L. Raina: "The company is focussed on moving up the value chain and becoming a packaging solutions provider."

Institutional investors, in fact, have already placed their stamp of approval on some of these success stories. The Rs 11,000-crore Tata Asset Management Company and Tata Investment have close to 3 per cent equity stake in Gruh Finance. Birla Sun Life, the financial arm of the Aditya Birla Group, owns 1.47 per cent equity stake in Taj GVK. Similarly, housing major HDFC holds 9.82 per cent equity in Indraprastha Medical, a subsidiary of the Delhi-based Apollo Enterprise as on March 2006.

Home Advantage

The big advantage of being the offspring of famous parents is the access to management bandwidth and expert guidance at no cost. It also becomes much easier to raise resources from the market. "The long-term potential of these subsidiaries is in alignment with the growth of the parent companies," says Swaminathan.

Also, as Jasani explains, a strong parent makes a turnaround story far easier. When Grasim acquired Shree Digvijay Cement in 1998, the Jamnagar-based company was in trouble with soaring raw material costs, excess manpower and crippling power bills. It had been referred to BIFR (Board for Industrial & Financial Reconstruction) twice. In two years, the Aditya Birla Group turned the company around. "The focus will now be on plant modernisation," says D.D. Rathi, Director, Grasim.

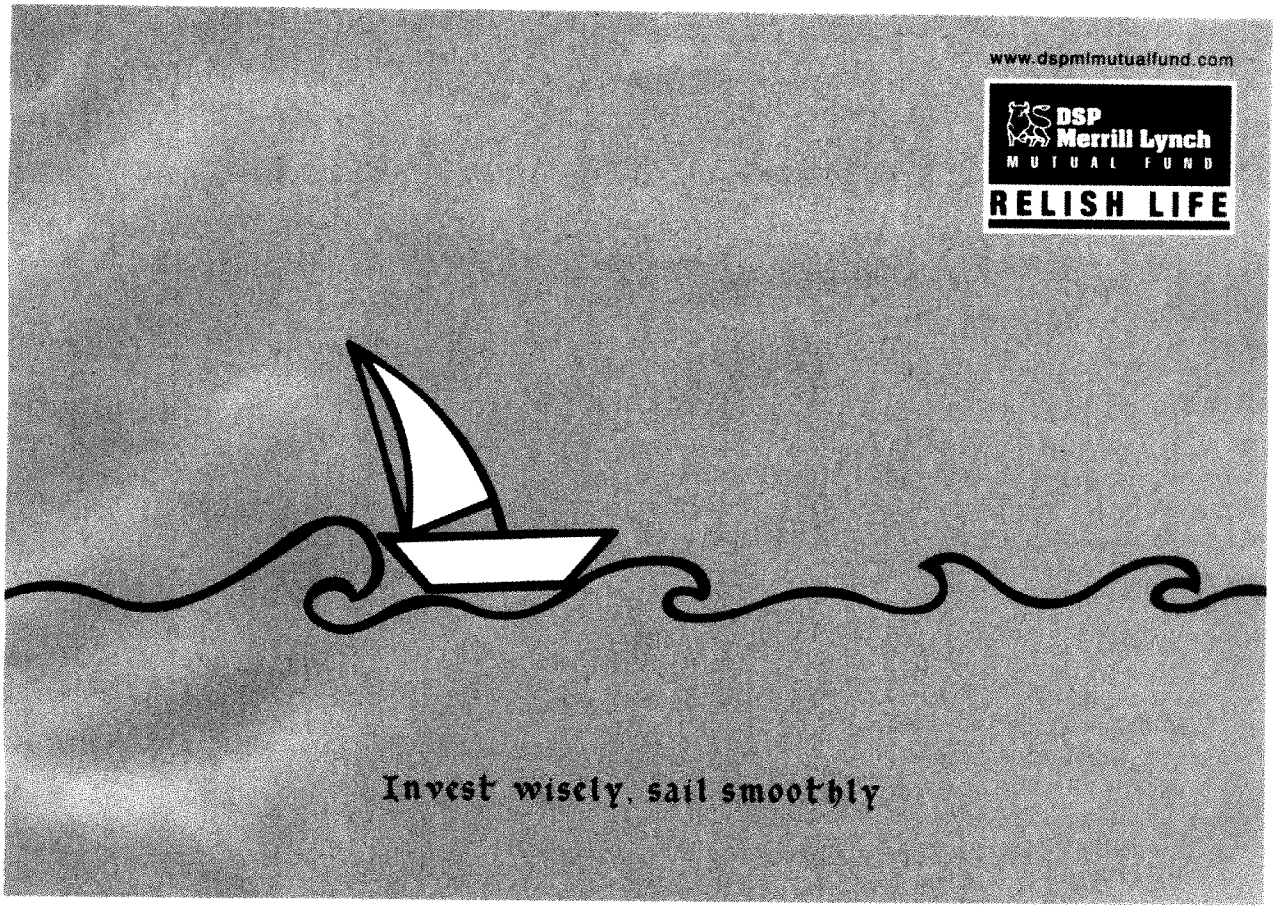
On Dalal Street, most of these companies generally enjoy a lower P-E (price-earnings) ratio than their parent companies, but if there are any expectations of a merger with the parent, the P-Es tend to converge. As far as returns go, shareholders have little to complain about, with dividends and bonuses flowing (see *Sharing The Goodies*).

Although there are issues like low market capitalisation (see *The Flip Side*) and liquidity, there are enough comfort factors that compensate: impeccable lineage, professional management and access to group synergies in crucial areas like marketing and finance. And if that much-awaited merger does happen, always the promise of a subsidiary, it will only gild the lily.

Meet The Parents

The subsidiaries come from pretty impressive stock. And it shows.

- **HDFC** (Gruh Finance): Housing Development Finance Corporation Limited spearheaded housing finance in India and has grown beyond that to become the second largest player in private sector banking through HDFC Bank Ltd. The housing major has an outstanding loan portfolio of Rs 56,492 crore and a comfortable 15 per cent capital adequacy ratio
- **Grasim Industries** (Shree Digvijay Cement): The flagship company of the Aditya Birla Group is among the country's largest private sector businesses with a turnover of over Rs 6,824 crore. Starting with textile manufacture in 1948, Grasim is today present in cement, chemicals and textiles
- **Tata Steel** (Tinplate): Part of the Tata Group, this is the country's largest private sector steel company, and among the world's lowest-cost steel producers. Tata Steel manufactures 4 million tonnes per annum of hot, cold and long steel at its various plants, and has a turnover of Rs 17,144 crore
- **Indian Hotels** (Taj GVK): Also a Tata Group company, it runs the Taj Group of hotels in the luxury, leisure and business segments. The Rs 1,127-croe company has expanded its global footprint with hotel management contracts in Dubai, Malaysia and Bhutan
- **ONGC** (MRPL): This flagship public sector enterprise earns the highest net profit in the Indian corporate sector of over Rs 10,000 crore. ONGC's market capitalisation accounts for almost 8-10 per cent of BSE's total market capitalisation
- **Amtek Auto** (Ahmednagar Forgings): It is the flagship company of the Amtek Auto Group and operates in the auto ancillary segment. It caters to the medium and heavy commercial vehicle segment, and has a turnover of about Rs 655 crore



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Compounded annualised returns of SIP investments as on May 31, 2006

Period of SIP	Total Investment	DSP ML Equity Fund		S & P CNX Nifty (Benchmark)		Outperformance v/s Benchmark
	(Rs.)	Value (Rs.)	Return	Value (Rs.)	Return	
Last 1 year	60,000	74,336	47.36%	69,358	30.31%	17.05%
Last 3 years	1,80,000	3,84,588	56.19%	2,95,318	35.01%	21.18%
Last 5 years	3,00,000	10,57,889	52.95%	6,49,664	31.53%	21.42%
Last 7 years	4,20,000	15,38,180	36.69%	9,25,700	22.20%	14.49%
Since inception	5,45,000	24,54,876	31.60%	13,07,026	18.50%	13.10%

All returns shown above assume reinvestment of dividend at net asset value on the ex-dividend date. They do not take into account entry load and hence the actual returns will be lower than those shown above. While comparing the performance of investments made through SIP's with the benchmark index, the value of the index on the days when the investment is made is assumed to be the price of one unit. As on May 31, 2006: S & P CNX Nifty – 3071.05, NAV of DSPML Equity Fund – 36.29. The since inception returns are calculated assuming the start date for SIP investments as May 2,1997. **Past performance may or may not be sustained in the future and should not be used as a basis for comparisons with other investments.**

For more information and a copy of the application form call • Mumbai: 6607 2855 • Vashi: 3918 2855 •1800-345-4499 (MTNL/BSNL Lines) 044-3048 2855 (all other lines) or contact your nearest investment advisor.

DSPML Equity Fund (DSPMLEF) is an open-ended growth scheme seeking to generate long-term capital appreciation, from a portfolio which is substantially constituted of equity and equity related securities of issuers domiciled in India. The scheme may also invest a certain portion of its corpus in debt and money market securities, in order to meet liquidity requirements from time to time. **Asset Allocation:** Equity & equity related securities: approx. up to 90%. Debt & money market securities: approx. up to 10%. **Features:** Min. investment Rs. 5,000/- and min. additional purchase of Rs 1000/- thereafter. Pay Dividend and Reinvestment of Dividend options available. Declaration of NAV on all Business Days. Redemption normally within 3 Business Days. Entry load of 2.25% only for investments < Rs. 5 crore. No entry load for investments > Rs 5.0 crore. No exit load. Sale and redemption of units on all Business Days at Purchase Price and Redemption Price. SIP, SWP, STP, Nomination facility and direct deposit application facility available. **Statutory Details:** DSP Merrill Lynch Mutual Fund (the Fund) was set up as a Trust by the settlors, DSP Merrill Lynch Ltd. and Merrill Lynch Investment Managers LP, USA. The Sponsors to the Fund are DSP Merrill Lynch Ltd., HMK Investment Pvt. Ltd. and ADIKO Investment Pvt. Ltd (collectively). The Trustee and Investment Manager to the Fund are DSP Merrill Lynch Trustee Company Pvt. Ltd. and DSP Merrill Lynch Fund Managers Ltd. respectively. The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1 lakh for setting up the Fund, and such other accretions/additions to the same.**Risk Factors:** Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the Scheme's objectives will be achieved. As with any investment in securities, the NAV of Units issued under the Scheme's can go up or down depending on the factors and forces affecting capital markets. The NAV of the Scheme's Units may be affected by changes in the general level of interest rates. The past performance of the mutual funds managed by the Sponsors and their affiliates/associates is not necessarily indicative of the future performance of the Scheme. Investors in the Scheme are not being offered a guaranteed or assured rate of return. The liquidity of the Scheme's investments may be restricted by trading volumes, settlement periods and transfer procedures. In the event of an inordinately large number of redemption requests or of a restructuring of the Scheme's portfolio, the time taken by the Fund for redemption of Units may become significant. Please see 'Risk Factors and Special Considerations' and 'Right to Limit Redemptions' in the Standard Offer Document. The liquidity & valuation of the Scheme's investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. In the event that investible funds of more than 50% of the total proceeds of the equity schemes are not invested in equity shares of domestic companies, the tax concessions on income distribution will not be available to the Unit Holders. The scheme may enter into derivatives transactions, which are subject to embedded risks. As per SEBI circular each scheme and individual plan(s) under the schemes should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/plan(s). In case of non-fulfilment with either of the above two conditions on an ongoing basis for each calendar quarter, the respective schemes/plans shall be wound up by following the guidelines prescribed by SEBI and the investor's money would be redeemed at applicable NAV. While Government Securities carry minimal credit risk since the Government of India issues them, they do carry price risk depending upon the general level of interest rates prevailing from time to time. DSPMLEF is the name of the Scheme and does not in any manner indicate the quality of the Scheme, its future prospects or returns. **For more details, please refer to the Key Information Memorandum cum Application Form, which is available at the ISC/Distributor. Please read the Standard Offer Document before investing.**

Horizon Plans

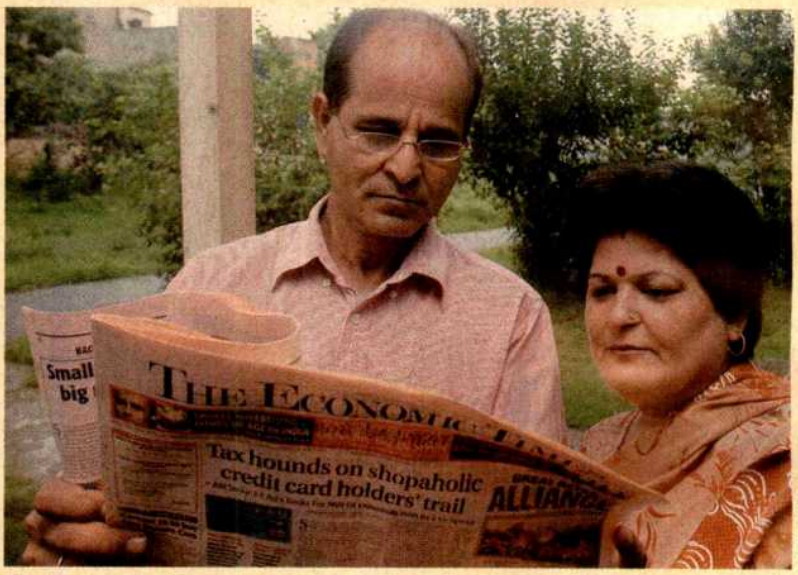
It's all very well talking about tending roses after you retire, but just how do you get there? By choosing the right retirement plan, says KRISHNA GOPALAN

K.S. RAVISHANKAR IS A THIRD generation entrepreneur who runs a plywood business in Chennai. At 38, Ravishankar already anticipates hanging up his boots in 10-12 years to catch up on his music and reading. He is looking forward to retirement, wants to be mentally and financially ready for it and has started investing in a mix of equity, real estate and insurance to build his nest egg.

Ravishankar is clearly an intelligent exception—few people start saving for retirement when still in their 30s. Reality usually hits a couple of years before that last working day, whereas any financial planner will tell you that retirement plans need to be drawn up the day you start earning. The advantages of an early start cannot be overstated (see *Why You Should Start Today*), but most people still put it off till too late. Says Gaurav Mashruwala, a Mumbai-based financial planner: "The truth is overall life expectancy in India has increased and in many cases people live 25-odd years after retirement." India does not have a social security system, which makes planning for retirement that much more vital.

Choosing Right

Once you recognise the need to plan, how do you then find out what to buy? Choosing the right investment mix is, in fact, the most important aspect of retirement planning. It depends on three basic factors: your risk appetite, the age at which you start planning and the periodicity with which you would like your retirement income to come in. Ideally, retirement income should flow in like a monthly pay cheque.



RAJKUMAR

Timing counts: The earlier you plan, the fatter your retirement corpus

Ready To Retire

Some basic to-dos when you know retirement is around the corner.

- **Pay off home loan:** It is vital to close all loans a year or two before retirement; monthly EMI payouts drain retirement funds
- **Keep credit clean:** Pay credit card bills in full—the interest rate on outstandings is exorbitant and you could well be paying off the debt well into retirement
- **Avoid debt:** Don't take loans for a fancy car or luxury cruise months before you retire, however tempting. It will throw your finances out of gear
- **Start cutting back:** Avoid frills and get into the habit of need-based spending
- **Update insurance:** Check that your insurance cover is enough, both life and general
- **Review plans:** If your retirement plans were made early, now is the time to review and recast, if necessary

Why does age matter? Simply because people who start investing in their 30s can afford to take much higher risk. This changes as they age, or if they have started investing at a later stage. Ravishankar's portfolio is hardly conservative: "Equity accounts for 80 per cent of my total investment today, real estate for 10 per cent and the balance is a combination of insurance products."

At 38, this equity to non-equity ratio sounds good, but it will have to change when Ravishankar is closer to 50. Mashruwala points out that at the time of retirement, equity

Why You Should Start Today

The benefits of an early start to a regular investing career become obvious from this table.

YEARS OF INVESTMENT	RATE OF INTEREST* (% PER ANNUM)	AMOUNT INVESTED PER MONTH (RS)	TOTAL CASH OUTFLOW (RS)	MATURITY VALUE (RS)
5	8	20,000	12,00,000	14,69,537
20	8	2,500	6,00,000	14,72,551
30	8	1,000	3,60,000	14,90,359
35	8	750	3,15,000	17,20,411
40	8	500	2,40,000	17,45,503

*Fixed return product

Source: Market

Looking Ahead

Retirement planning needs a smart choice based on our timely needs.

OPTION	TENURE (YEARS)	INVESTMENT LIMIT (RS)	RETURNS (% PER ANNUM)
Senior Citizens Savings Scheme	5	15 lakh	9*
Post Office Savings (MIP)	6	3 lakh per head ^	8
Public Provident Fund	15	70,000 per year	8
National Savings Certificate	6	Nil	8
Fixed Deposits**	1, 2, 3	Nil	5-7.5

*Quarterly payments possible MIP: Monthly Income Plan ^ Jointly for husband & wife: Rs 6 lakh
**From corporates and non-banking finance companies

Source: Market

and non-equity should be a 25:75 mix: "During your 20s, 30s and 40s, the proportion of investment can have a greater equity tilt. After all, this will help you beat inflation at the time of retirement." Ravishankar has already planned to cut equity back to 60 per cent a decade from now, when insurance and savings will account for 30 per cent and real estate for 10 per cent.

The older you are when you start retirement planning the less risk you can take, but the more quickly your money needs to grow to beat inflation. You will be caught in a cleft stick. "The question at the time of retirement is whether you have put away enough money for the next 15 years," says Sam Ghosh, CEO, Bajaj Allianz Life Insurance. At 55, says Ghosh, you must think of longevity up to 75. "With the breakdown of institutions like the joint family, retirement planning has become paramount."

The Risk Factor

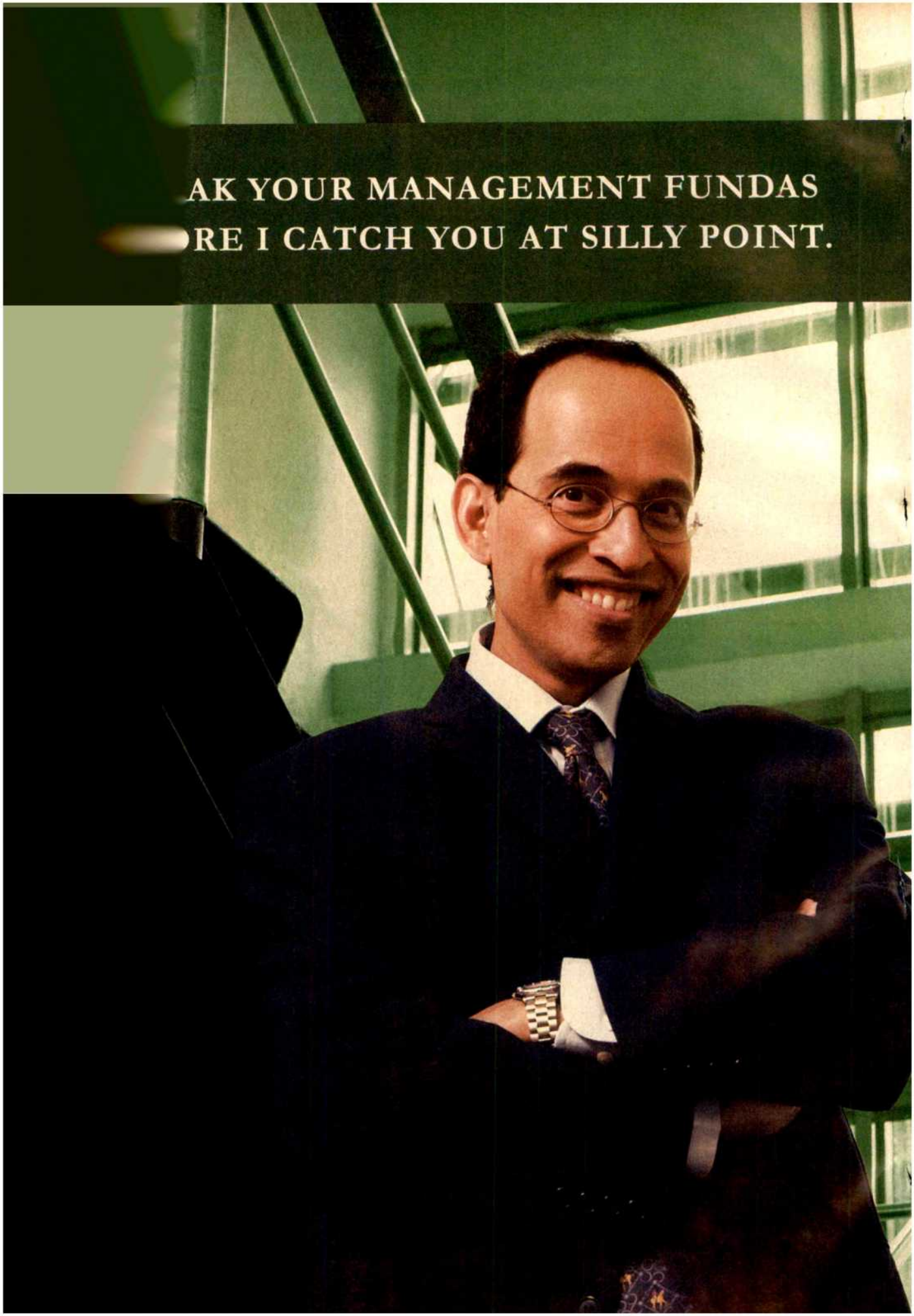
Everybody has spoken enough by now of the golden equity formula that says 100 minus age—thus, if you are 21, you invest 79 per cent in equity and the rest in debt. But in reality, a lot depends on an individual's risk appetite. To tackle this, Mashruwala recommends that in the early earning years conservative investors combine equity with mutual funds. Debt, of course, will anyway come in later in larger proportions. It is the sure, but slow option. "The debt phase comes in at a later stage with the objective of getting regular returns," points out Mashruwala. Here, you have post office savings, National Savings Certificates, Public Provident Fund, government bonds, debt funds, etc.

Your overall options, thus, are gold, property, equity and debt. Mixed judiciously, they should give you a reasonably good combination of fixed assets, growth options and safe investments that will together assure you a steady cash flow in your retirement years. The trick is to know what works when. If you break up the working life of an individual, the 20s and the 30s are the most important and often the most productive phase. "I would term these the golden saving years while the 40s and the 50s are the golden spending years," says Mashruwala.

Timing Payouts

Choosing what you buy to fund your retirement also depends on whether you want a lump sum payment just when you enter retirement, or prefer annuities or periodic payments. An endowment plan, for instance, will give you a solid amount at the end of the tenure while annuities give you regular monthly payments, as is possible with many pension plans or insurance schemes available today. The third option is periodic payments, where you receive fixed amounts at intervals of, say, five or 10 years. This is possible with Kisan Vikas Patras, NSCs, PPF, or money-back policies, where you can put in money at regular intervals, keeping in mind the stages at which you will want to withdraw the amounts. Ravishankar's portfolio, for instance, includes a whole life policy (LIC) and a money-back plan (Max New York Life), and his annual premium outgo is a hefty Rs 4.5 lakh.

Getting this mix right (see *Looking Ahead*) will depend on many factors: your health, how money savvy you are, your need for liquidity and so on, since each product has its unique features. The trick? Plan well ahead so that your retired life is as enjoyable and secure as your working years.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NEWS ROUND-UP

Make Your Trip

ONCE UPON A TIME, THERE WERE DACOITS, NOW THERE ARE AIRPORT carousels. Both ensure you lose your luggage before you can say suitcase. Then there are various other acts of God and man that ensure that few journeys within India are without incident and excitement. Then why has it taken so long for domestic travel insurance cover to emerge on the scene?

Whatever the reason, the sector is now finally opening up. Today, walk into any airport and you'll find a counter selling accident cover coupons for about Rs 25, valid only for the duration of the flight. And now, several general insurers are stepping in with round-trip covers. "Fifteen million people travel by air today. They need a round-trip cover that starts the minute they leave home and lasts till they return," says Khalid Sohail, Head (Travel Insurance), Tata-AIG Life Insurance.

It will be a while before the market picks up. Says Sudhir Menon, Head, Travel Insurance, ICICI Lombard: "We are still in the market-building process. Certain segments like holiday-makers are picking it up, but the numbers are not anything to boast about."

Tata-AIG plans to launch its travel product within this month, while ICICI Lombard's domestic travel cover was launched about a year ago as a market dipstick that proved successful enough for the company to now plan an upgraded version.

The cover typically protects you against monetary and physical inconvenience suffered at any point during a journey inside India. It could be luggage lost during transit, organising accommodation because of travel delays, getting medical help in remote areas, even 'compassionate' visits when a family member has to be flown in because of illness during the trip. The ICICI cover, in fact, also protects you against burglaries at home while you were away Taj-gazing.

SIPRA DAS

Travel log: Journeys within India could get painless

The Tata-AIG cover carries a premium of Rs 140 for a three-day trip and Rs 286 for 90 days. The ICICI Lombard cover starts from Rs 180 for seven days, and goes up to Rs 500 for their Gold Plan that lasts up to 70 years. The Silver Plan offers only medical cover at a premium that does not exceed Rs 300. Well, next time your luggage goes missing, at least someone picks up the tab.

AHONA GHOSH

Fares In Free Fall

"PRICES HAVE TOUCHED LUDICROUS LEVELS ON SOME ROUTES SUCH as Delhi-Guwahati, with the lowest fare in the second week of July a little over Rs 500," says a Delhi-based travel agent. With the entry of low-cost carrier IndiGo, the downward pressure on airfares just got stronger. There's been a 50 per cent increase in airline capacity in the past two years, but the market has not really grown. The result: airlines continue to bleed. In India, there is not much difference in cost structure between low-cost and full service carriers, which makes competition even fiercer, says Ankur Bhatia, Executive Director, The Bird Group.

Passengers, of course, are not complaining. Their chief crib: grossly inadequate infrastructure. Plus, the various ifs and buts now associated with cheap fares: extra charges for online booking or cash payments, huge cancellation costs, flight delays... The fares don't always make up for these pinpricks.

Meanwhile, SpiceJet, GoAir and Air Deccan command about 26 per cent of the market, but you can get cheap fares from any airline, either due to flight times or poor demand. So, shop before you fly.

KAPIL BAJAJ

Crash Landing

Check across all airlines: you never know where your best deal lies.

AIRLINE	DELHI-MUMBAI*	ETD ^	DELHI-* BANGALORE	ETD ^
Air India	5,268	07:30	N.A.	N.A.
Air Deccan	3,024	08:55	4,824	06:05
GoAir	2,850	09:35	N.A.	N.A.
Air Sahara	3,200	15:55	4,500	15:30
SpiceJet	3,624	16:45	5,724	06:15
Jet Airways	3,555	00:30	5,500	06:35
Kingfisher	4,350	10:05	5,750	09:50

*Fares in Rs; only indicative since fares are dynamic and can change every hour
^ Expected time of departure N.A.: Not available Source: Market

ULIPs In Bloom

A HOST OF NEW-LOOK UNIT-LINKED POLICIES (ULIPS) HAVE HIT THE market, after the Insurance Regulatory and Development Authority's (IRDA's) strict new guidelines came into force from July 1.

ULIPs had for too long been treading a twilight zone populated by both insurers and mutual funds. Agents were having a field day exploiting this confusion. Now, IRDA has set ULIPs down firmly in the insurance space.

Changes include increasing the minimum term to five years from three, and ruling that the risk cover portion of the policy will be at least five times the annual premium. Earlier, despite miniscule insurance components, ULIPs enjoyed hefty tax breaks, thus making them efficient investment vehicles. Also, the older policies left buyers shocked when they discovered the huge percentage of their premium that went towards service, mortality and other charges. Now, when it is clear what component of the premium goes towards risk cover and what towards investment, policyholders know what they are getting into. In fact, about two years ago, IRDA had told agents to stop using inflated returns projections that misled policyholders, asking them to project illustrative returns at 6 per cent and 10 per cent only.

Another area where there will be much more transparency is on charges, with all fees being uniformly named across companies to make comparison shopping easier. Plus, changes in the computation of net asset values and deduction of rider premiums (accident, disability, etc.) are expected to bring simplicity and transparency.

A glaring loophole was the top-up premium, which allowed policyholders to pay various extra premiums in addition to the regular annual amounts. Top-up premiums often ended up exceeding the insurance cover many times over. Now, top-ups are restricted to 25 per cent of the total annual premium. In their new avatar, ULIPs will hopefully be significantly safer policies and meet the insurance objective better.

SHALINI S. DAGAR

SMARTBYTES

Homing In On Retirees

THE ANNOUNCEMENT BY HOUSING FINANCE REGULATOR NATIONAL Housing Bank (NHB) to launch the reverse mortgage facility for senior citizens is welcome news. Very popular in the US and the UK, the product allows people above 60 to mortgage their property for soft loans (based on property value) while continuing to live there. There are no EMIs or repayments, and the loan finishes when either the borrower dies or moves out of the house, with the lender taking over. NHB, which will offer refinance to lenders for reverse mortgage transactions, has not yet taken the product to banks, but several housing finance companies have already shown interest. "We hope to facilitate these transactions in the next six months," says R.V. Verma, Executive Director, NHB. The loans don't require proof of income, can be taken in two or more tranches, and used for any purpose. Although expensive, they offer senior citizens access to much-needed liquidity at an age when credit is hard to come by.

ANAND ADHIKARI

A Life Less Taxing

IF YOU RUN A SOHO OR small business, this new website promises to eliminate the tax consultant from your life. According to Vijaya Kalyan, Chennai-based promoter of *www.aceprocedures.com*, this site simplifies taxation, with FAQs, downloadable forms, and information on everything from covering letters and fees to due dates and tax rates. You even have addresses and telephone numbers of the concerned tax officers. The various areas covered include tax (sales, income, service and professional), company and partnership law, provident funds, plus specific modules for software companies and NGOs. The annual subscription rate is Rs 900 for one user, although there is free access to a section called business essentials, which has practical tips on basic business, from locating office space to recruiting manpower.

VIVAN MEHRA

Taxation simplified: Thanks to a new website

NITYA VARADARAJAN

TRAVEL SURVEY

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BUSINESS TRAVEL

1. How many business trips have you taken in the last 12 months?

a. Domestic ☐ 0 ☐ 1-3 ☐ 4-6 ☐ 7-10 ☐ 10+

b. International ☐ 0 ☐ 1-3 ☐ 4-6 ☐ 7-10 ☐ 10+

2. If you are flying on work, which is the most regular class of travel?

a. Domestic ☐ First/Business ☐ Economy

b. International ☐ First/Business ☐ Economy

3. On a work trip other activities you like to indulge in (Please tick 3 of your preferred choices)

☐ Visit places of interest/Sightseeing ☐ Attend Concerts/Theatre/Movies ☐ General relaxation

☐ Fine dining/Speciality restaurants ☐ Visit friends and family ☐ Shopping

☐ Enjoy the night life—Pubs/Nightclubs/Discos ☐ Adventure sports ☐ Others (Please specify)_____

4. Please tick the cities/region that you have visited on business/business conference in the last one year.

a. DOMESTIC

☐ Delhi/NCR ☐ Mumbai ☐ Bangalore ☐ Chennai ☐ Kolkata ☐ Hyderabad ☐ Shimla

☐ Goa ☐ Jaipur ☐ Lucknow/Kanpur ☐ Pune ☐ Ahmedabad ☐ Kochi ☐ Agra

☐ Chandigarh ☐ Thiruvananthapuram ☐ Others (Please specify)_____

b. INTERNATIONAL

☐ New York ☐ San Francisco ☐ Boston ☐ Washington ☐ London ☐ Paris ☐ Rome

☐ Amsterdam ☐ Frankfurt ☐ Munich ☐ Vienna ☐ Venice ☐ Kenya ☐ Cairo

☐ Johannesburg ☐ Colombo ☐ Hong Kong ☐ Bangkok ☐ Singapore ☐ Bali ☐ Manila

☐ Dubai ☐ Kuala Lumpur ☐ Others (Please specify)_____

5. Do you prefer to take spouse/family along? ☐ Yes ☐ No

LEISURE TRAVEL

6. How many trips do you take in a year? (Round trip lasting more than 1 night)

a. Domestic ☐ 0 ☐ 1-2 ☐ 3-5 ☐ 5+

b. International ☐ 0 ☐ 1-2 ☐ 3-5

7. How do you travel most often?

☐ By Air ☐ By Car ☐ By Train ☐ Others (Please specify)_____

8. If you are flying, which is the most regular class of travel?

a. Domestic ☐ First/Business ☐ Economy

b. International ☐ First/Business ☐ Economy

9. What is the ideal duration of your getaway or vacation?

a. Domestic ☐ Upto 2 Nights ☐ 3-4 Nights ☐ 5-7 Nights ☐ 8-14 Nights ☐ More than 14 Nights

b. International ☐ Upto 3 Nights ☐ 4-7 Nights ☐ 8-14 Nights ☐ More than 14 Nights

10. Keeping the above answer in mind, what is the approximate budget you are likely to allocate for your leisure trip?

a. Domestic ☐ 0-20,000 ☐ 20,000-50,000 ☐ 50,000-80,000 ☐ 80,000-1,20,000 ☐ 1,20,000+

b. International ☐ Upto 80,000 ☐ 80,000-1,50,000 ☐ 1,50,000-2,50,000 ☐ 2,50,000-3,50,000 ☐ 3,50,000+

11. What are the primary purposes of planning a leisure trip?

☐ Relaxation ☐ Entertainment ☐ Education (Historical Destinations/Museums) ☐ Pilgrimage

☐ Adventure (Hiking, Climbing, Camping, etc.) ☐ Family get-together ☐ Others (Please specify)_____

12. On a leisure trip you like to indulge in, (Please tick 3 of your preferred choices)

☐ Visit places of interest/Sightseeing ☐ Attend Concerts/Theatre/Movies ☐ General relaxation

☐ Fine dining/Speciality restaurants ☐ Visit friends and family ☐ Shopping

☐ Enjoy the night life—pubs/Nightclubs/Discos ☐ Adventure sports ☐ Others (Please specify)_____

13. On a leisure trip you are likely to travel with?

☐ Friends ☐ Family ☐ Alone ☐ Tour Groups

14. On a leisure trip you are likely to stay in?

☐ Hotels ☐ Resorts ☐ with Friends/Family ☐ Guest Houses ☐ Others (Please specify)_____

15. Please tick the cities/region that you have visited on holiday in the last one year

a. DOMESTIC

South	☐ Kerala	☐ Karnataka	☐ TN	☐ AP	☐ Lakshadweep	☐ Pondicherry	
North	☐ Rajasthan	☐ Srinagar	☐ Delhi	☐ Punjab	☐ UP+Uttaranchal	☐ Haryana	☐ Himachal
West	☐ Daman & Diu	☐ Maharashtra	☐ Goa	☐ MP	☐ Gujarat	☐ Dadra and Nagar Haveli	
East	☐ Orissa	☐ West Bengal	☐ Sikkim	☐ Assam	☐ Andamans	☐ Other North East_____	

b. INTERNATIONAL

☐ New York	☐ San Francisco	☐ Boston	☐ Washington	☐ London	☐ Paris	☐ Rome
☐ Amsterdam	☐ Frankfurt	☐ Munich	☐ Vienna	☐ Venice	☐ Kenya	☐ Cairo
☐ Johannesburg	☐ Colombo	☐ Hong Kong	☐ Bangkok	☐ Singapore	☐ Bali	☐ Manila
☐ Dubai	☐ Kuala Lumpur	☐ Others (Please specify)_____				

16. Please tick the places that you would like to visit in the next 2 years

a. DOMESTIC

South	☐ Kerala	☐ Karnataka	☐ TN	☐ AP	☐ Lakshadweep	☐ Pondicherry	
North	☐ Rajasthan	☐ Srinagar	☐ Delhi	☐ Punjab	☐ UP+Uttaranchal	☐ Haryana	☐ Himachal
West	☐ Daman & Diu	☐ Maharashtra	☐ Goa	☐ MP	☐ Gujarat	☐ Dadra and Nagar Haveli	
East	☐ Orissa	☐ West Bengal	☐ Sikkim	☐ Assam	☐ Andamans	☐ Other North East_____	

b. INTERNATIONAL

☐ New York	☐ San Francisco	☐ Boston	☐ Washington	☐ London	☐ Paris	☐ Rome
☐ Amsterdam	☐ Frankfurt	☐ Munich	☐ Vienna	☐ Venice	☐ Kenya	☐ Cairo
☐ Johannesburg	☐ Colombo	☐ Hong Kong	☐ Bangkok	☐ Singapore	☐ Bali	☐ Manila
☐ Dubai	☐ Kuala Lumpur	☐ Others (Please specify)_____				

17. Please tick the kind of place you are likely to visit in the next 2 years?

☐ Beaches ☐ Hills ☐ Deserts ☐ Wildlife ☐ Cities ☐ Others (Please specify)_____

18. While planning a trip from where do you source your information?

☐ Friends ☐ Travel Agent ☐ Online (Please specify sites_____)

☐ Magazines/Periodicals/Newspapers (Please specify _____) ☐ Others (Please specify)_____

19. Which of the following sentences best describes your travel attitude?

☐ I plan my holidays well in advance, gather information about the place and then make all bookings/reservations

☐ I gather all information in advance but make bookings only at the last moment

☐ I don't like hassles. I book all-inclusive tour packages a few days in advance

☐ I love experimenting, no plans are made, I take a holiday whenever I feel like, pack bags and leave

20. How do you usually book your tickets and make hotel arrangements?

☐ Yourself on-sight/counter ☐ Online ☐ Travel Agent ☐ Package tours ☐ Others (Please specify)_____

21. What magazines do you read?

☐ News ☐ Business ☐ Lifestyle ☐ Travel ☐ Any other (Please specify)_____

PERSONAL DETAILS

Name_____ Sex Ⓜ/Ⓕ Age_____ Address_____

_____ City_____

Pin_____ Mobile_____ E-mail_____

Job Title

☐ Owner/Partner ☐ COO/CEO ☐ Chairman/President/MD ☐ VP/Director/Gen Manager ☐ Dept Head/Sr. Mgr

☐ Manager/Supervisor ☐ Professional ☐ Govt Employee ☐ Housewife ☐ Student ☐ Other_____

Mail your response to:

The Marketing Department, India Today Travel Plus, 5th Floor, Videocon Tower, E-1 Jhandewalan Extn, New Delhi-110 055

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Driving Factor

If you think your car costs what it says on the price tag, you have another think coming. In fact, maybe another car altogether. KUSHAN MITRA

IT'S THAT TIME OF THE YEAR... increments and bonuses are in hand, swank new cars are in the showrooms, and you are itching to zoom away in one of them. And what are the factors you weigh as you test-drive a different set of wheels each day? Colour, brand, sex appeal, of course, and then the crucial one: price. You obviously can't buy a Rs 14 lakh Skoda Octavia on a Rs 4 lakh small-car budget.

But, is that all there is to the price factor? Actually, there is a lot more and it can be neatly illustrated in the concept made popular by IT: that of TCO or Total Cost of Ownership. TCO is designed to help consumers and producers estimate all the direct and indirect costs of purchasing any equipment or system (see *That TCO Thing*).

What this essentially means is that you cannot buy a car today simply because its retail price is lower than another's. Try instead to foresee what you would spend if your mad cousin drives it and uses a pillar to brake: will you be breaking the bank on repairs? Or what when you want to sell it five years down the line? Will you get just scrap value for it?

Sum Total

The cost of owning a car thus keeps adding up: EMIs (equated monthly installments), fuel costs, spare parts, resale value... What we have done here is some basic number crunching to show you just how two and two never quite add up when it comes to owning a car.

We use the Maruti Alto LX to make the point, a relatively cheap car at Rs 2.89 lakh (on-road price in Delhi). First, assume you take a Rs 2.5 lakh loan at 9 per cent, paying Rs 39,000 as down payment. That means you are staring at an EMI payment of Rs 5,190 per month for five years.

Now, the Alto enjoys comparatively good fuel economy—about 15 km to a litre—so running costs

VIVAN MEHRA

On-road bill: Fuel, spares, repairs all add up in the costs column

That TCO Thing

What factors contribute to TCO or Total Cost of Ownership?

- **Acquisition cost:** What price you pay for the car as well as the additional costs incurred by taking a loan.
- **Fuel cost:** What fuel does your car consume? How economical is it? To this, add other regular consumables like engine oil and coolant.
- **Cost of spares:** Busted headlights, broken bumpers or smashed mirrors cost money to replace, but spares for some models are much more expensive than for others.
- **Resale value:** This is increasingly becoming a critical factor when purchasing a car, according to a recent NFO (a market research agency) study. Not all cars depreciate to the same extent, so check what value your car will command when you want to sell.

will be low but they still have to be factored in. Assuming you run your car about 1,500 km a month, at Delhi prices, that means Rs 5,000 per month on fuel.

Then, even if you are the most careful driver in the world, you have to spend on oil, coolant, air and oil filters, and other consumables, plus annual maintenance and insurance premiums. Maintenance is usually a killer cost, especially at the authorised dealer workshops. Add this all up and your cost goes up to an average of Rs 10,500 per month. And we are not even including the cost of CDs for your car system and other doodads to swank up the interiors.

There's More

These are the regulars. What if you unfortunately have an 'incident' one evening that crumples your front bumper, scars your windscreen and dents the bonnet? When you replace them with Maruti Genuine Parts (fake spares can be risky), it will set you back at least Rs 3,000 if insured. Three such mishaps add Rs 10,000 to the cost of owning the car.

And then comes the clincher. After the loan is repaid, you decide to sell your car in the second-hand market (see *Second Helping*). A five-year-old Alto today sells for about Rs 1.75 lakh (Delhi), and is likely to remain more or less in this bracket five years from now. You can get about Rs 1.75 lakh on your (by now) Rs 7 lakh investment, which means on a 60-month investment you lost Rs 5.25 lakh. Ouch!

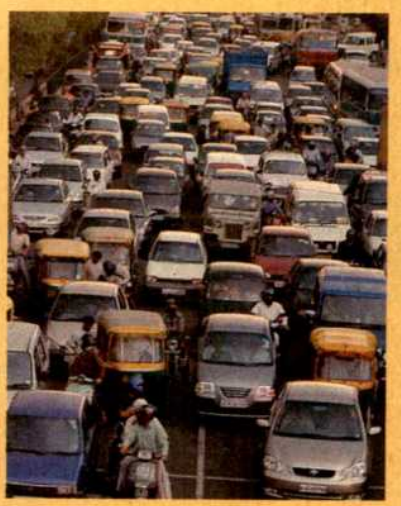
Net-net, the Alto LX that retails at Rs 2.98 lakh really costs Rs 5.25 lakh through its lifetime of 60 months. That works out to an effective cost of Rs 8,750 per month or Rs 5.84 per km (mileage of 1,500 km a month) to own and operate. Both figures are based on the assumption that the car is sold after five years and the loan costs 9 per cent.

The Alto is among the cheapest cars to own and run in India, with only the Maruti 800 cheaper. As you move up the value chain, cars become more expensive. Once you move to B-segment cars such as the Hyundai Santro or Maruti Wagon-R, your loan amount goes up, fuel economy comes down and cost of spares rises. Using the same formula, the TCO of these cars would be around Rs 8.75 lakh through a five-year life.

However, and here's the crucial thing, you will get back more

Fuel Duel

A new look at that old petrol-diesel debate.



BHASKAR PAUL

THE OLD ANSWER WAS SIMPLE: petrol if you want performance, diesel if you drive a lot. New-age diesel engines, however, stand that argument on its head. Peppy new technology delivers performances comparable to petrol cars. So, where's the catch? The new engines not only push up the car cost significantly, they make regular consumables and engine spares slightly more expensive.

Let us run a very simplified number-crunching exercise, using the Ford Fiesta ZXi, available in both petrol (1.6 litre) and diesel (1.4 litre TDCi) versions with similar interiors. The on-road price (in Mumbai) of the petrol model is Rs 7.82 lakh, while the diesel version costs Rs 8.45 lakh. While the Fiesta 1.6 has a city mileage of about 11 km, the diesel car beats this with a mileage of about 13.5 km.

Assume you are a workaholic who lives in Goregaon, Mumbai and works in Nariman Point—that is a minimum 65 km daily commute about 225 days a year. This means you drive 14,625 km a year to work and back. Petrol in Mumbai costs about Rs 53 and diesel Rs 38, which means the petrol car will consume approximately 1,330 litres of fuel and the diesel car 1,085 litres. That is, annual savings of just Rs 3,675, not stunning by any book.

Assume, however, that you work 300 days a year but also play, which includes drives to Pune once a month. The annual distance your car then does is about 20,000 km, which means 1,820 litres of petrol and 1,480 litres of diesel. Even so, your annual fuel savings work out to about Rs 5,000. After five years, you'll save Rs 25,000 on the diesel car. The on-road price difference: Rs 63,000. And don't forget diesel engines consume more and costlier engine oil, and wear out tyres faster.

This simple formula can be modified to different cities and fuel rates, so work out whether your annual savings are worth the extra outlay. Almost universally, though, the answer seems to favour the lighter fuel, unless you drive more than 100 km a day or do long-distance trips every week. Of course, the diesel car will fetch a higher resale price, but after five to six years, even new-age diesel engines require a thorough check-up (even overhaul), which usually erodes the resale value.

Second Helping

Does your old car look hot on the resale stakes?

Maruti 800 | Hyundai Santro | Honda City | Mahindra Scorpio

RAJKUMAR

BUYERS HERE ARE JUST BEGINNING TO understand the importance of resale value, says Vinay Sanghi, Managing Director, Automart India, one of the country's largest organised second-hand car retailers. Just how important resale value is can be seen from this illustration: Assume one person buys a car for Rs 6 lakh, while another spends Rs 7 lakh on his. At the end of three years, the first owner sells his car for Rs 2 lakh whereas the latter is able to get Rs 4 lakh for his. Effectively, therefore, it means the first person spent Rs 1 lakh extra in running his car.

According to Sanghi, a car that loses less than 18-20 per cent of its value on an annualised basis over a three-year period can be regarded as having a good resale value. Some critical factors contribute to this, among them maintenance, fuel economy, performance and, critically, the car's 'brand perception'. In fact, cars can gain or lose in the perception stakes over time (any owner of an old Opel will testify to just how much value brands can lose). As of now, the Maruti stable still leads in terms of value retention. Sanghi lists the top four vehicles in terms of resale value today:

Maruti 800: This 20-year-old is hardly exciting, but is cheap to run and maintain. Although the 800 leads, all Maruti cars retain value well.

Hyundai Santro: With great performance, good mileage and an established brand, the Santro sells well.

Honda City: Even though the old model has been discontinued, a Rs 7 lakh Honda City bought in 1998 will fetch upwards of Rs 2.5 lakh eight years down the line. Great performance, low maintenance.

Mahindra Scorpio: A new model is on the roads, but the old one still holds value excellently, thanks to its efficient and powerful engine and ample interiors.

when you sell a Santro or Wagon-R. You can safely assume that a used Santro Xing will fetch Rs 2.25 lakh in five years, which brings the TCO of this car down to about Rs 6.50 lakh. That works out to roughly Rs 7.22 per km. As you move up to the Hyundai Accents or Ford Fiestas, ownership costs explode to Rs 8.5-9 per km.

Although the math we have used is basic, it gives you a fair idea of a car's TCO. In fact, banks are beginning to extend loans on the assured resale value. For example, the Toyota-ICICI Bank Bullet scheme allows Corolla customers to pay a 'bullet' amount at the end of the loan tenure and replace their old car with a new one.

Says Ravi Bhatia, General Manager, Maruti Udyog: "The concept of TCO is still very alien in India, but consumers are beginning to look at it more closely. They are not interested just in fuel economy; resale value and cost of spares also play a role in buying decisions."

Cutting Back

Is there any way of reducing the TCO? Well, discounts on MRP do make a difference but when a car is heavily discounted, keep in mind that its resale value is probably weak as well. However, during a slow month (such as the *shradh* period, traditionally considered unlucky by most Indians), you could get good discounts even on popular cars such as the Alto or Santro. Haggling on your loan is another option, but with interest rates heading up, your margin for negotiation is limited.

While keeping an eye on second-hand rates helps, many cars in India today are too new to have arrived in the used-car marts. In these cases, brand perception can play a role. For example, Honda has a positive perception and this should enhance the resale value of the Honda City when it enters the second-hand market in a few years.

Knowing that the real cost of owning a car could be almost Rs 2 lakh higher than its label price is a dampener. But, the truth is nobody is really complaining—cars are not investments, they are depreciating assets and nobody buys one to make money (unless you buy a super-rare vintage, but that's another story). The point is to use this knowledge to buy a car sensibly. Splurge on your hot wheels, but splurge smart.

In Our Sites

As infrastructure investment grows steadily, construction stocks reap the benefits. AMAN MALIK

LOOK AROUND AND YOU WON'T really have to labour hard to spot new buildings or a flyover sprouting up. Indeed, construction activity is going on at a furious pace unprecedented in the country. And construction sector stocks look like they could deliver value over the medium and long term.

What appears to have given impetus to the flurry of activity is the government's new attitude. "The government is taking on the role of facilitator and making a serious effort to build up this space," says Ravi Sardana, Senior Vice-President, ICICI Securities.

In February 2005, the central government approved 100 per cent FDI in real estate through the automatic route (subject to a minimum capitalisation of $10 million or Rs 44 crore for wholly-owned subsidiaries and $5 million or Rs 22 crore for joint ventures with Indian partners) with the liberty to repatriate profits after three years, prompting players like Emaar-MGF Land (JV between MGF Development of India and Dubai-based Emaar Properties PJSC) to announce plans for an Indian foray.

VIVAN MEHRA

Buzzing action: Construction activity is on at a furious pace across the country

Moreover, the government itself has earmarked huge investments for the construction space and is encouraging public-private investment synergies. In fact, the Planning Commission, for the 11th Five Year Plan, has slotted 7 per cent of GDP on infrastructure, up from the current 4-5 per cent.

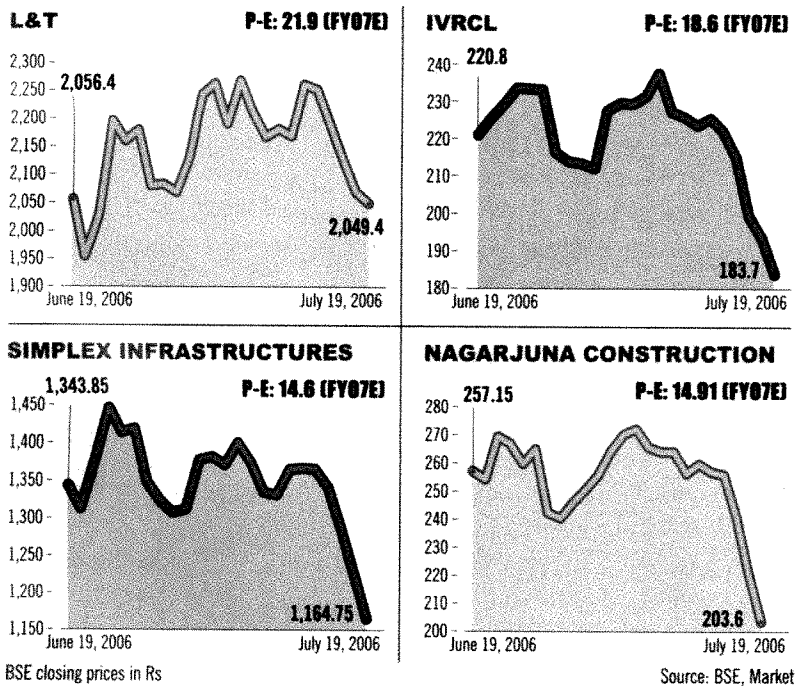
In the private sector, companies are sitting on future orders that are considerably larger than their existing ones. "Firms with projects worth, say, Rs 200 crore have booked Rs 500-1,000 crore projects," says a Delhi-based analyst.

Analysts are bullish on the sector and contend that it is the right time to enter, provided you can stay put for the medium to long term. Companies involved in highways construction seem the most promising, but those operating in spaces like urban infrastructure and irrigation also look strong.

While choosing stocks, analysts advise caution. The average investor should stay away from small players and look for companies that have instituted high-quality management systems. Among large companies, Larsen & Toubro seems to be a solid bet. In the mid-cap space, you could consider stocks such as Simplex Infrastructures, Era Constructions, Nagarjuna Construction Company, IVRCL, and Hindustan Construction.

Portfolio Builders

Four construction stocks that look good for the medium to long term.



PINAKI PAUL

BSE closing prices in Rs

Source: BSE, Market

SMEs - growing in stature

SMEs play a significant role in the industrial development of a nation

Analyse the economy of any country and there is a natural tendency to narrow down our view to big-ticket players and large-scale industries.

But a macro perspective would suggest that it is the Small and Medium Enterprises (SME) that make a 'telling contribution' in various socio-economic objectives such as higher growth of employment, output, promotion of exports and fostering entrepreneurship.

We may say that if large-scale industries are the terra firma, SMEs outline the heartland of a growing economy.

Demystifying SMEs

The European Union defines SMEs that have employees of less than 250, with a turnover not exceeding Euro 50 million. The Reserve Bank of India has recommended that units with investment in plant and machinery in excess of SSI limit and up to Rs 10 crores may be treated as medium enterprises.

The India story

Since independence, the Government of India has formulated a total of six Industrial Policy Resolutions/Statements in order to promote industrial growth in the country. Realising the credit requirements of the SSI sector, the Government evolved a credit policy under the priority sector. Various incentives pertaining to financial, fiscal and infrastructure related measures were designed and extended to SSI units. Perfectionist policies have been devised to guard the SSIs against competition from the large-scale sector. It was decided to phase out the reservation policy with the objective of enhancing the potential of SSI sector in their export orientation.

Boom boom exports

In fact, the SSI sector in India has been exhibiting a mammoth performance in exports. According to a recent economic survey, exports in SSI stood at Rs 86,000 crores (which works out to about 34% of total exports in India). Major sectors contributing to SSI exports include readymade garments (27%), engineering goods (14.5%), chemicals and pharmaceuticals, electronics and computers and processed foods (11% each). In terms of export orientation, sports goods have 100% exports from SSI sector, followed by readymade garments (90%), leather (70%), marine products (47%) and chemicals and pharmaceuticals (44%). More and more exporting units from the SSI sector have been increasing their capital investment to come out of the SSI net and emerge as global players. Such a trend is happening in: basic chemicals, pharmaceuticals, engineering goods, leather goods and textiles.

Roadblocks

Though we are tempted to romanticise SSI's success story, it's not entirely hunky-dory. There are constraints like product reservations and regulatory hassles both at entry and exit stages. There are other bottlenecks in the form of insufficient finance at affordable terms, inflexible labour markets and infrastructure related problems like high-power tariff, and insufficient export infrastructure.

All in all, it is a sector that holds immense promise. And despite facing occasional sentry posts SMEs continue to soar high.

Bank of Baroda

On what basis you think, the definition for the SME's should be drafted?

The SME sector covers full range of Small & Medium Industrial Enterprises as also the Services sector. It is, however, observed that there is no universally accepted definition of SMEs and definition of SMEs varies from country to country. In India, presently, the SME units are classified based on investment in Plant & Machineries. The units with an investment upto Rs 1.00 crore (Rs 5.00 crores in selected industries) in Plant & Machineries are classified under SSI sector and units with investment in Plant & Machineries in excess of SSI Limits and upto Rs 10.00 crores are classified as Medium Enterprises.

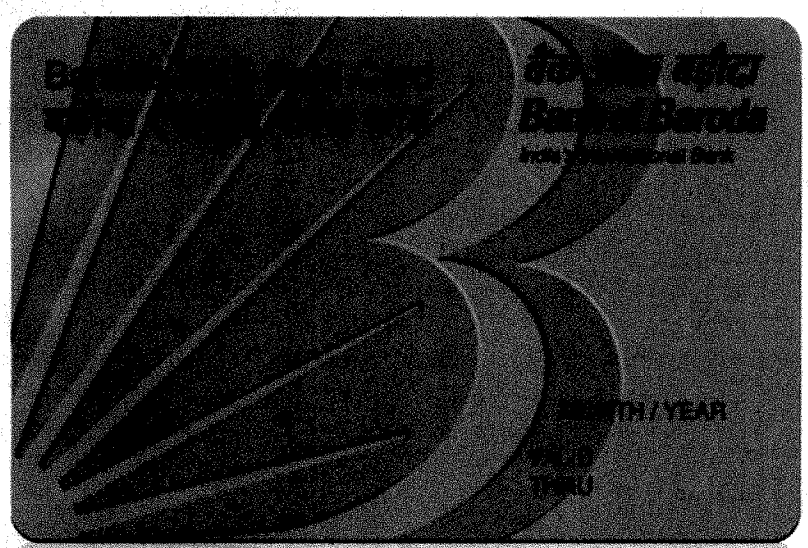
B.G. Baria
General Manager

How is the SME sector poised for growth post globalization?

The SME sector is well poised for a better growth during post- globalisation era in our country. It has been the key growth engine of Indian economy as it contributes over 40% to domestic industrial output

10% Extra

Credit



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and employs over 45% of total industrial workforce. A special agency namely Small and Medium Enterprises Rating Agency of India Ltd (SMERA) has been duly set up for rating the enterprises in this sector. In addition to this other credit rating agencies like CRISIL, ICRA are also coming forward to undertake rating inorder to facilitate credit decision by the banking system.

How Bank of Baroda is tapping the potential by providing credit to the SMEs.

Bank of Baroda has framed a policy for financing SME Sector, which provides for credit to SME Sector on liberalized terms, with regard to margin, financial norms, rate of interest, etc. The quantum of finance is linked to the genuine production requirements of the enterprises and not on the securities offered. The pricing of loan is also based on credit rating of the units. The pricing structure in Bank of Baroda is competitive amongst peer banks and borrower-friendly. Bank of Baroda also has 60 specialized SME branches, which will specially focus on SME lending. All these branches have been directed to finance atleast two new units each month as against adding of five borrowers per year as per the Policy Package announced by Hon'ble Union Finance Minister.

Bank of Baroda has entered into co-financing arrangements with SIDBI for financing in 48 clusters covering 8 centers in the States of Uttar Pradesh, Rajasthan and Gujarat, which are, incidentally the lead areas of our bank.

Outside the above arrangement also, Bank of Baroda has financed 623 units in 8 clusters, viz. Marble, Textile, Food Processing, etc. Bank has formulated special scheme for financing textile cluster, viz." Palladam Hi-Tech Weaving Park at Tirupur and "Auto Components Part" at Ludhiana).

Bank's advances to SME Sector has registered a growth of 30% in the fiscal 2005-06, taking total advances to SME Sector to Rs. 6854/- crores as of March, 2006. Bank expects its advances to this Sector to rise to Rs. 8225/- crores by March 2007.

What are the different kinds of schemes provided for the SME Sector by your bank? Also, mention the eligibility norms for the same.

Bank of Baroda provides a package of facilities, viz. Term Loan, Working Capital facilities both Fund Based as also Non-Fund Based, such as Letters of Credit for procurement of raw materials, guarantees favouring suppliers, Government Departments, etc. on liberalized terms to SME units. The margin requirement has been brought down to 25% and the rate of interest has also been rationalized to make it borrower-friendly. The financial norms viz. Current & Debt Equity ratios have also been relaxed.

As per RBI Guide lines, Bank extends loans upto Rs. 5/- lacs without any collateral security and incase of existing clients with satisfactory track record, the collateral free loans are extended upto a limit of Rs.25/- lacs under Credit Guarantee Fund Trust Scheme of SIDBI.

In addition to above, our bank has special schemes as outlined below for financing micro enterprises in SME Sector:

A) BARODA LAGHU UDHYAMI CREDIT CARD
B) BARODA ARTISANS CREDIT CARD (BACC)
C) COLLATERAL FREE LOANS UNDER CREDIT GUARANTEE FUND TRUST SCHEME FOR SMALL INDUSTRIES.
D) COMPOSITE LOANS
E) BARODA SME GOLD CARD

OTHER SCHEMES:

In addition to the above, bank is actively participating and financing under other Schemes launched by Government of India, SIDBI viz Financing under KVIC Margin Money Scheme, Technology Upgradation Fund Scheme, Credit Linked Capital Subsidy Scheme.

What are the challenges, do you think, the SME Sector is facing currently?

The SME sector enterprises face the challenges in the following areas:

* Management of their receivables owing to inordinate delay in payment caused by public sector and large corporates.
* Inability to compete with big corporates and multination companies in areas of product quality, range of products, marketing abilities and cost effectiveness.
* Limited access to latest technology and product innovations, lack of awareness of globally accepted best practices.

Bank of India

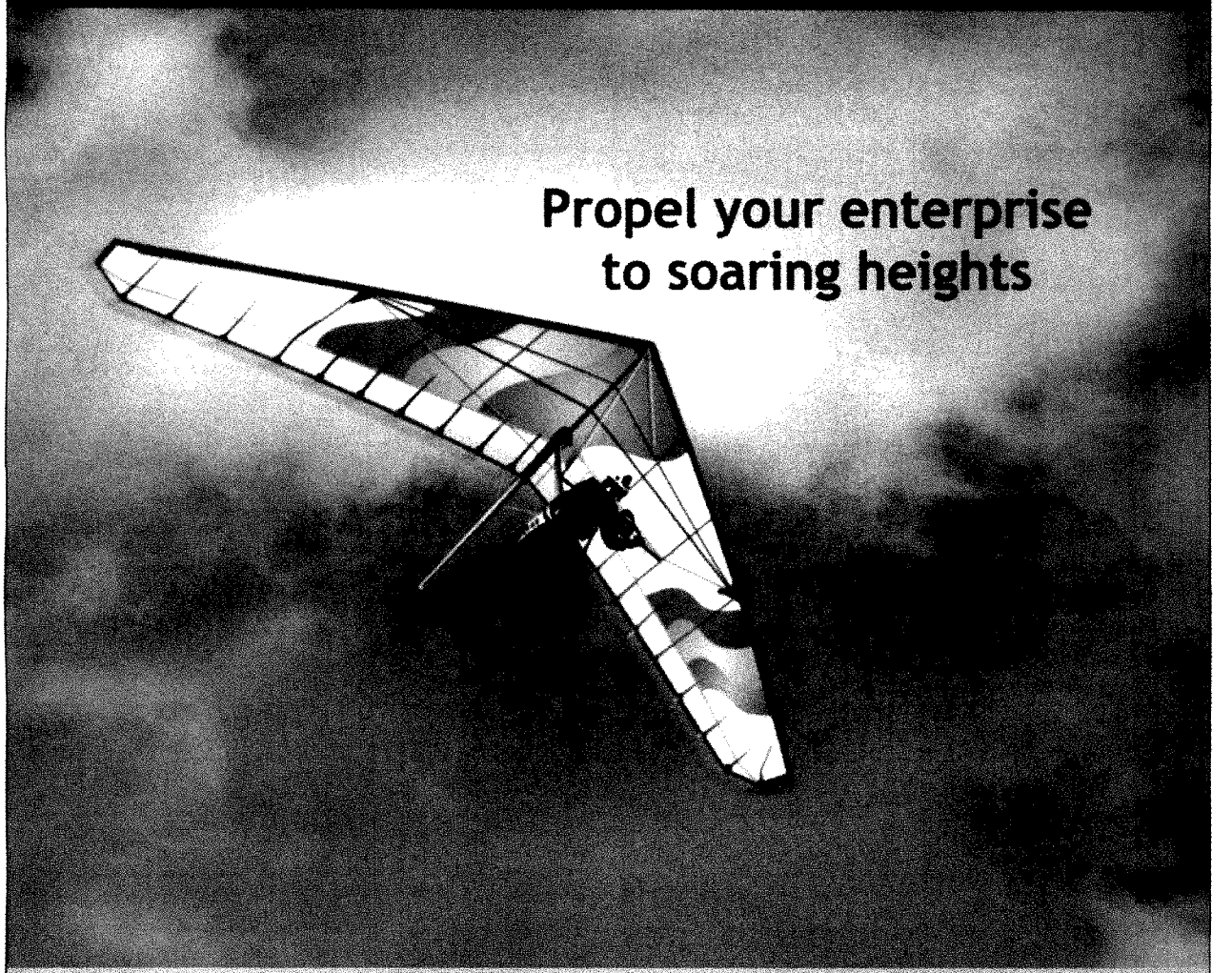
The SMEs lead to entrepreneurial development and diversification of the industrial sector, and also provide depth to industrial base of the economy. More employment opportunities are generated and the capital cost per employee is low. With the Services sector dominating the SME, and MNCs outsourcing their various requirements to Indian service providers, the scope for SME finance has increased even further. Bank of India considers the SME sector as a preferred sector and not as a Priority Sector only as the yield from the SME sector is lucrative compared to other sectors. Therefore, the SME sector is poised for a faster growth more so in view of the definition of SME under the micro, Small Medium Enterprise Act 2006 where there is no ceiling on the credit limit.

Bank of India's way of tapping the potential...

Bank of India is tapping the potential by the following strategies.

- **Cluster based approach:** There are 388 clusters identified in the country. We are formulating schemes for the clusters.
- **Linkage Finance:** Bank of India is revamping its Star Channel Credit where Small Suppliers to and Small Dealers of big corporate are financed under the scheme with easy terms.
- **Cash Management System :** By providing a better Cash Management system to the SMEs.
- Bank of India has entered into MOU with SIDBI and Andhra Pradesh Financial Corporation for joint finance.
- Bank of India has entered into MOU with SMERA (SME Rating Agency) for rating of the SME so as to ensure differential pricing for the credit as per the rating of the SME.

Designer Loans for Medium Enterprises



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Good people to bank with

Bank of India's suite of products for SME category of borrowers comprises of the following (Eligibility differs from scheme to scheme)		
Sr. No	**PURPOSE**	**PRODUCTS**
01	To take care of the entire Production/Operating cycle	Working capital Finance Bill Discount, Bill Negotiation, Letters of Credit, Drawee Bill Discounting, Export Finance
02	To fund the Capital Expenditure involved in setting up a new project.	Term Loans for New Projects
03	To fund the investment needed to expand the installed capacity of an existing unit.	Term Loans for Capacity Expansion
04	To facilitate technology up gradation of SSI units in the specified products/sub-sectors for induction of proven technologies.	Term Loans for Technology Up-gradation
05	Credit with freedom regarding utilization for general corporate purposes like augmentation of long term resources for working capital management, acquisition, refinance of fixed assets, pre-payment of high cost loans etc.	Corporate Loans Discounting future Cash Flows.
06	Funds for investment in equipment and/or process which would improve the energy efficiency of a manufacturing unit.	Term Loan for Energy Efficiency Projects.
07	Approval of Facility to avail credit when the need arises	Line of Credit
08	Targeted at traders to bridge the working capital gap during the period sales through credit cards and reimbursement thereof.	Financing Credit Card Receivables
09	To reputed builders for undertaking construction of residential complexes	Financing for Commercial Housing Ventures
10	To Local/State/Central Government organizations for funding the cost of providing permanent facilities and amenities to public.	Financing for Social Infrastructure Projects
11	Loan in Foreign Currency for importing machinery/goods and is targeted at customers who have a natural hedge in the form of future foreign exchange earnings.	Foreign Currency Loan
12	Purchase of machinery / equipment needed by a customer and renting out the same to the customers for their use against payment of rentals at periodic intervals.	Lease Finance
13	Finance against owned fixed assets to meet the credit needs of people engaged in Trade, Commerce and Business	Star Mortgage Loan
14	To manage the supply chain of our manufacturing customers having a regular chain of suppliers and/or established dealer network	Channel Financing
15	Loans at Sub-PLR interest rates to existing credit worthy borrowers coming under SSI Sector to meet/supplement temporary liquidity requirements	Star SSI Supreme
16	To all artisans involved in manufacturing process for meeting their working capital needs as well as to meet the cost of purchase of tools & equipment	BOI Artisan Credit Card
17	To all proponents eligible for sanction of TL/WC Limits for eligible activities defined under Priority Sector Advances	BOI Laghu Udyami Trade Card
18	To enable women entrepreneurs to make them self-reliant and economically independent	Priyadarshini Yojna

Union Bank of India

Small and Medium Enterprises (SME)-Growth Engines of Indian Economy

Small and Medium Enterprises (SMEs) are the growth engines of the Indian economy due to their ability to create jobs, foster entrepreneurship, and to provide depth to the industrial base of the economy. SMEs contribute approximately 40% of the country's domestic production, almost 50% of India's total exports and 45% of India's industrial employment i.e. next to agriculture sector. Despite their economic significance, SMEs face a number of bottlenecks that prevent them from achieving their full potential. A major obstacle in SME development is its inability to access timely and adequate finance.

Cluster Based Approach

Cluster based approach for financing SME sector offers possibilities of reduction of transaction costs and mitigation of risk. About 388 clusters have already been identified. Cluster based approach are now being treated as a thrust area. To broaden the financing options for infrastructure development in clusters through Public Private Partnership (PPP), Banks and Term Lending Institutions in consultation with the stakeholders have already initiated the process of establishing Small Enterprises Financial Centres (SEFC) in select clusters. Risk profile of each cluster would be studied by a professional credit rating agency and such risk profile reports would be made available to commercial banks.

Important Issues in Growth of Credit Flow to SME:

- Bank should identify clusters of SMEs for introducing homogeneous approach for lending to SMEs in specific clusters for quicker disposal and reducing the operational cost.
- Cluster specific lending schemes, which are tailor made to the requirement of respective cluster, can be devised.
- SMEs face the constraint of putting up desired research and development facilities due to their resource and talent constraints. Industry associations, SIDBI and Banks should jointly organized seminars at different clusters of SMEs/potential centres to provide information sharing platforms to Small and Medium Entrepreneurs
- Training of the personal handling of the SMEs proposal in Lending Institutions is another dimension, which needs to be

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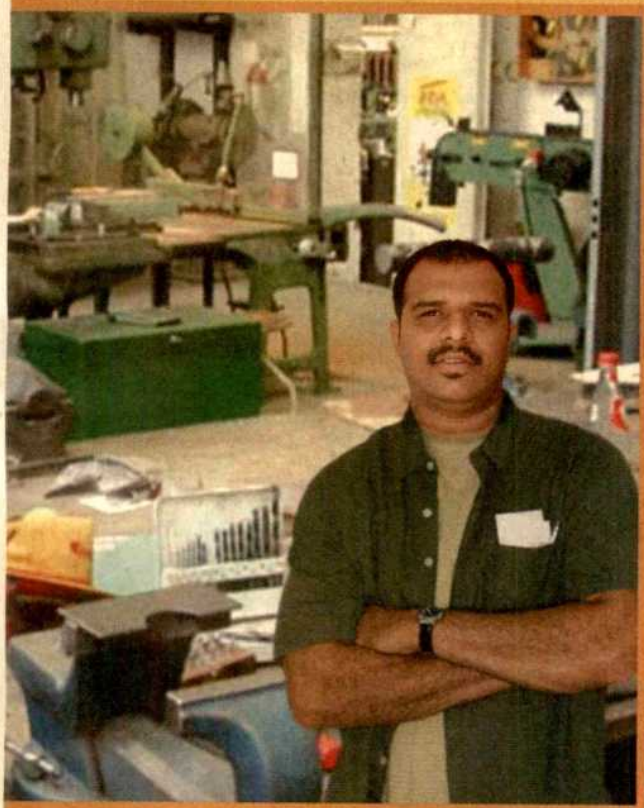

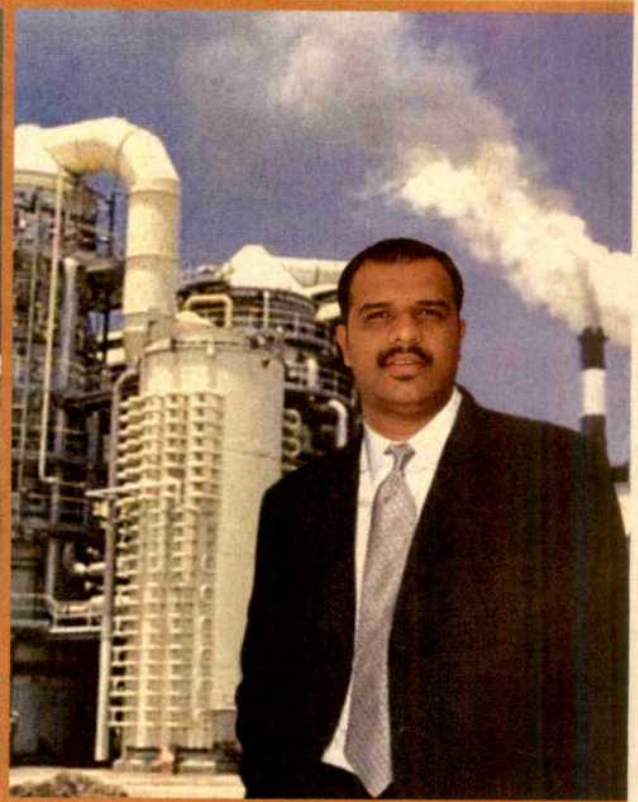

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addressed so that the skill development for lending to SME should be in consonance with requirements of the borrowers and constraints faced by the SMEs.Our Bank is having a sophisticated training infrastructure, which is one of the bests in the Indian Banking Industry, where we are conducting special training programme on SME lending.

• On the part of the lenders, SME accounts needs close monitoring to prevent deterioration in assets quality. It is also observed that Small and Medium Entrepreneurs have limited managerial resources and as such many a times are unable to give desired attention to the financial aspects of their activity. Often SMEs are tempted to go in far quick expansion without proper tie-up for long term resources for expansion causing liquidity constraints. It is, therefore, desirable on the part of the lenders to offer technical and financial counseling to SME borrowers to supplement their entrepreneurial skills. Such counseling can be rendered in detail, especially at the times of the annual review of the accounts.

SME Initiatives by our Union Bank of India:

• A SME Cell has been formed at Corporate Office to drive and monitor growth of Credit to SME.

• Our Bank has already brought out a lending scheme with attractive terms and additional benefits for mid corporate viz. "Union High Pride" for loans from Rs.5.00 crores to Rs.25.00 crores to Mid Corporates with relaxed terms such as Current Ratio, Collaterals. The scheme also offers attractive Sub-BPLR lending interest rates to SME based on their Credit Rating and host of add on facilities such as Multicity-cheque Book facility, Cash Management Services, etc.

• Our Bank has entered into MOU with SIDBI for joint identification and co-financing Small and Medium Entrepreneurs at major SME clusters selected by SIDBI and our Bank.

• Our Bank has also entered into MOU with "SMERA" [rating agency floated by SIDBI/CIBIL/Dun & Bradstreet (D&B) leading Public and Private Sector Banks] for rating of SMEs. As per this MOU, the best rated SMEs can be offered interest concession ranging from 0.25% to 0.50%.

• We are also formulated a Debt Restructuring Scheme specially for SMEs.

(Contributed by S.K. SANGAR, Dy. Gen. Manager
(CORP. CREDIT & SME), UNION BANK OF INDIA)

Protecting Exporters

The importance of an organization like ECGC (Export Credit Guarantee Corporation of India), established way back in 1957 by the Government of India to strengthen the export promotion drive by covering the risk of exporting on credit cannot be understated. ECGC is the fifth largest credit insurer of the world in terms of coverage of national exports. The present paid up capital of the company is Rs 800 crore and authorized capital Rs 1000 crores. The Corporation is entering 50th year of its operations on 30th July 2006. The Golden Jubilee celebrations are planned to be held in branches all over India.

Export credit insurance is designed to protect exporters from the consequence of the payment risks and to enable them to expand their overseas business without fear of loss. Besides providing insurance protection against payment risks, ECGC provides exporters guidance in export related activities, makes available information on different countries with its own credit ratings, makes it easy to obtain export finance from banks/ institutions, assists exporters in recovering bad debts and provides information on credit -worthiness of overseas buyers.

ECGC offers a slew of schemes to help the exporter. The packing credit guarantee scheme helps the exporter to obtain better and adequate facilities from their banks. The guarantees assure the banks that, in the event of an exporter failing to discharge his liabilities to the bank, ECGC would make good a major potion of the bank's loss. The bank is required to be co-insurer to the extent of the remaining loss. ECGC's Shipment Comprehensive Risk Policy is ideally suited to cover risks in respect of goods exported on short-term credit, that is, credit not exceeding 180 days. It is issued to exporters whose anticipated export turnover for the next 12 months is more than Rs. 50 lakh. There are other policies such as Turnover policies, Consignment policies, Exposure policies and also service sector polices including IT enabled services policy. Other than these, ECGC also provides for maturity factoring, which is the purchase of accounts receivables.

A separate fund with a corpus of Rs.2000 crores called the National Export Insurance Account (NEIA) has been set up and monitored by a high powered committee called the Committee of Directions. The insurance fund will be maintained and operated by a public trust, set up jointly by the Department of Commerce and ECGC.The maximum aggregate exposure that will be undertaken will be held at Rs.20000 crores. Out of the Rs.2000 crore, the government will contribute Rs.266 crore in the Tenth Plan (2002-07) plan period, while the remaining will be contributed in the Eleventh Plan period (2007-12).

The fund will support in respect of exports involving large value projects with credit terms which are unconventional and those beyond the underwriting capacity of ECGC. The fund will also enable exports to countries facing persistent economic and financial difficulties. ECGC earned premium income of Rs. 515.30 crore during 2004-05 with a growth of 16 per cent over the previous year's premium income of Rs. 445.48 crore. The average growth in premium income has been around 12 per cent in the last five years, a period during which the corporation paid claims of Rs. 1,938 crores and has earned a premium income of Rs. 2,004 crores. The corporation has already paid an amount of Rs. 10 crore as dividend for the fiscal 2005-06. ECGC has also signed a MoU with the Commerce Ministry on March 20, 2006 for the financial year 2006-07. The MoU, primarily meant for an objective assessment of public sector enterprises every year, has undergone a welcome re-structuring: the parameters of critical assessment have not only been increased from 24 to 30 but the targets have also been scaled up. The new MoU is to make sure that ECGC's performance is of world standards. The Corporation is expecting to get a grading of 'Excellent' under its MoU for the financial year 2005-06.

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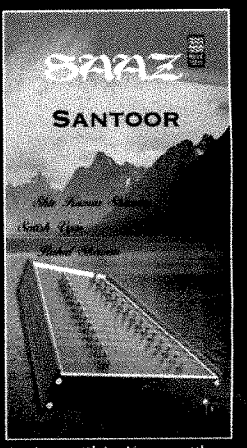

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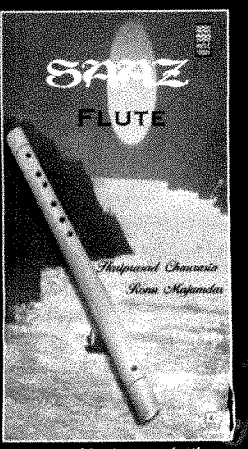

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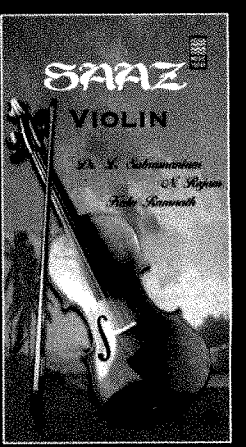

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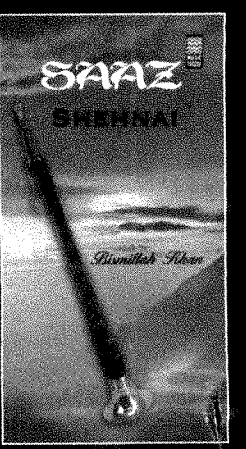

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If properly executed, abundantly mushrooming SEZ projects could hold the key to the chief problem plaguing the Indian economy- efficient pooling of resources.

Sample these figures. The Mahindra and Mahindra group has announced the setting up of a multi-product Special Economic Zone along with the Maharashtra Government in Pune expected to attract investments in excess of Rs 9,000 crore that will generate 75,000 jobs. The group will be investing Rs 1,100 crore in the first year for land, infrastructure and buildings. This follows on the heels of Reliance Industries and Haryana State Industrial and Infrastructure Development Corporation signing a joint venture agreement for setting up a Rs 25,000 crore multi-product Special Economic Zone that has provisions for a cargo airport and a 2,000 MW power plant. RIL has also said two other proposed SEZs in Mumbai would contribute Rs 50,000 crore to the country's exports. It is estimated that the SEZs, to be set up with an initial investment of Rs 25,000 crore will see further investment of another Rs 25,000 crore over the next decade and create employment opportunities for 25 lakh people. The Maharashtra Industrial Development Corporation too has envisaged 17 SEZ projects in the state with a planned investment schedule of Rs 10,765 crore.

Despite being spectacularly mind boggling, these investments are only a small fraction of what the Indian economy needs. Global consulting firm McKinsey & Co has estimated that India needs more than $250 billion in infrastructure investment in the next decade to ensure basic services to a nation of 1.1 billion people. The Planning Commission has said the country needs and can absorb $16 billion of FDI annually. Describing this as a 'reasonable target', it maintains this can be achieved in the 11th Plan period, commencing 2007-08. Commerce Minister Kamal Nath recently said investment opportunity of $500 billion would emerge in major economic sectors in India.

Small wonder than that, state governments, have been jostling to attract the attention of private investors, offering tax breaks, flexibility in labour norms, and unfettered land holdings and FDI in SEZs.

Not only have Bangalore and Hyderabad vying for investments, it is also the turn of the red bastion at Kolkatta. West Bengal laid out the red carpet for Reliance Industries chairman Mukesh Ambani, who announced new investments in the state. The governments in Rajasthan and Madhya Pradesh are building intra-state road networks in public-private partnerships at breakneck speed. The chief ministers of Chhattisgarh, Rajasthan, Punjab and Haryana are all bending over backwards to attract corporate investment, to build infrastructure, to corporatise agriculture, towards contract farming. The drive is just as strong on the other side of the table. The central and state governments have together received more than 150 applications since the new SEZ policy was announced in February 2006. The central government estimates that these SEZs can provide immediate employment to almost a million people; 30 of these multi-product SEZs will attract an investment of Rs1.2 trillion (US$25.5 billion). The new legislation provides a uniform SEZ policy and comprehensively covers all aspects of establishment, operation and fiscal oversight.

In relatively small Haryana a total of 22 SEZs are expected to be established in the near future, including at sought-after destinations such as Faridabad, Gurgaon and Kudli (Sonepat). Companies such as Wipro, Reliance, Infosys, Satyam, Bajaj, Biocon, Adani Group, Bharat Forge and DLF have finalized plans to set up SEZs.

Foreign players are rushing in to grab a piece of the pie too. Dubai-based real-estate developer Emmar Group has secured approval for setting up 10 such zones. Singapore has also expressed keen interest in setting up SEZs in India.

Experts say that an effective SEZ policy could bolster India's growth, by making a dent on urban infrastructure and labour reforms (mainly flexible hiring practices) which have stuck in a rut so far. There could as a consequence be big payoffs in terms of employment and GDP [gross domestic product] growth.

While the momentum builds up, in the long run, economists advocate the need to go for larger scale of SEZs as witnessed in china, while also giving commensurate push to the small and medium enterprises in what has so far been an export-led phenomenon.

Maharashtra Industrial Development Corporation, more popularly known as M.I.D.C , was established in 1962, with an objective to set up planned and systematic industrial areas with a corporate philosophy that espoused,' Prosperity to all through Industrialization.'

M.I.D.C. has since achieved 227 industrial complexes with 1,30,000 acres of land, comprising of specialised parks for IT, Bio-Tech, SEZs , Wine (Grape processing) Park, Gems and Jewellery, Electronics, Floriculture, Food Processing, Textiles, Chemicals and Leather.

In the light of the recent favourable announcement in SEZ policies, MIDC has planned to develop product-specific SEZs at various locations:

'We hold a huge 65,000 hectares of land without any encumbrances'

In a free-wheeling discussion, Mr. Rajiv Jalota, CEO, sets out MIDC's measured approach towards setting up an enviable lineup of SEZs across Maharashtra.

What in your opinion is fuelling the boom in SEZs across the country?

Earlier, the SEZ-related laws were scattered among different Acts and rules. SEZs are broadly considered as a means for creating larger inroads into small and medium scale manufacturing and for quick support to quality infrastructure with a liberal and positive business environment, leading to the much-needed fillip to manufacturing exports. The new law provides exemption for 15 years compared with 10 years previously. Corporates are also rushing to SEZs as the existing tax exemptions for export-oriented units set up in non-SEZ areas, like software technology parks, would expire in 2008-09 After the new SEZ policy was approved in February this year, the government received more than 100 applications for SEZs. The policy allows the minimum area for an SEZ to be 1,000 hectare for multi-product zones, 100 hectare for product-specific zones and 10 hectare for gems, jewellery and biotechnology zones.

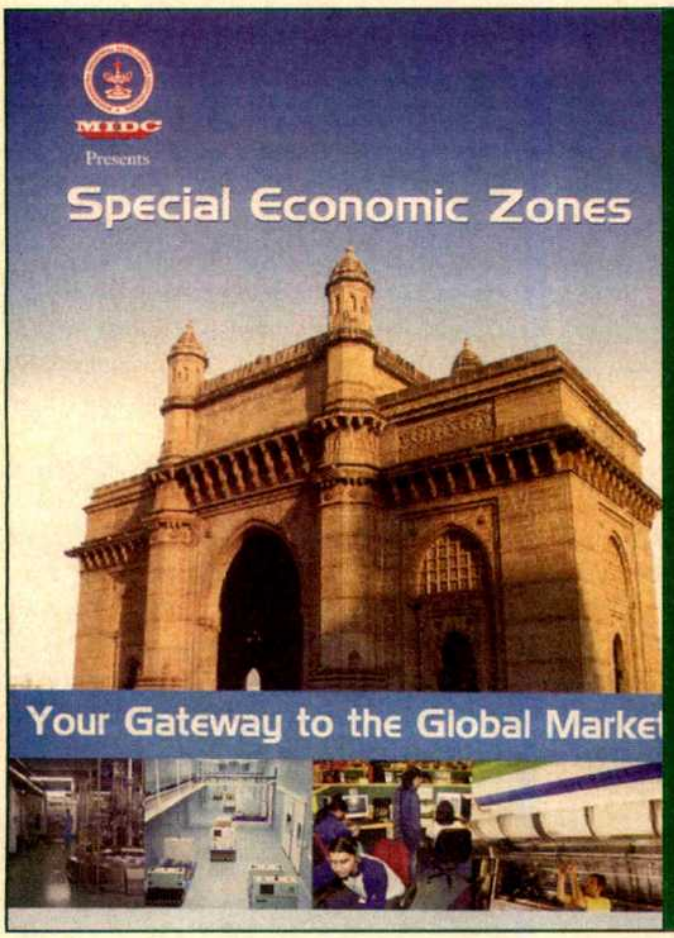
Rajiv Jalota
CEO MIDC

Do you think MIDC has an edge over the other players in so far as competence in setting up SEZs is concerned? Typically, what is the time frame involved in completing these projects?

The first SEZ of India SEEPZ is now contributing to 56 percent of all functional SEZs in India, was built by MIDC. With already 229 functional Industrial Areas across Maharashtra, MIDC knows the business of Industrial Infrastructure better than any other developer. MIDC has expertise in building different parks like IT, Biotech, wine parks, auto Clusters, Textile & Apparel Park and food parks. Therefore the competence is quite diverse across for the supplementary infrastructure necessary for implementation of various facets of this concept.

More importantly for many of the GoI approved SEZs, MIDC has already acquired the necessary land. So the major hurdle is already conquered. Normally after getting an In-Principle approval from GoI, an SEZ should be functional within 3 yrs. MIDC is trying to make at least 12 SEZs functional by 2009.

Though the projects might be ambitious how does one approach the issue of land acquisition to the benefit of all parties?



Highlights of Incentives-For Developers

All SEZs are provided with adequate security with well bounded 50% Processing area and Non-processing area.

- 100% FDI allowed for:
  - (a) Townships with residential, educational and recreational facilities on a case to case basis.
  - (b) Franchise for basic telephone service in SEZ.
- Income Tax benefit under (80 IA) to developers for any block of 10 years in 15 years
- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZs.
- Exemption from Service Tax/CST.
- Income of infrastructure capital fund/co. from investment in SEZ exempt from Income Tax

Highlights of Incentives-For Units

Customs and Excise:

- Duty free import/domestic procurement of goods for setting up of SEZ units.
- Goods imported/procured locally duty free could be utilised over the approval period of 5 years.
- Domestic sales by SEZ units will now be exempt from SAD.
- Domestic sale of finished products, by-products on payment of applicable Custom duty.
- Domestic sale of rejects and waste and scrap on payment of applicable Custom duty on the transaction value.

MIDC has always maintained a perfect balance to satisfy all the concerned parties at the land acquisition level. As MIDC is empowered by the MID Act, we hold private negotiations, carry out socio-economic surveys well in advance, and go about the implementation of rehabilitation in the utmost careful manner. That is how; today we hold a huge 65,000 hectares of land without any encumbrances.

How do you go about getting the funding for such huge projects?

MIDC welcomes the PPP concept wholeheartedly. The SEZs of Latur, Kushnoor (Nanded), Butibori, Nandgaon Peth are developed with IL & FS as project management consultants. For other SEZs, talks are in progress with renowned infrastructure consultants. The execution of projects will be done with the participation of reputed private developers as our joint venture partners. In fact, for some of those approved SEZs, we have already received proposals for development and investments from reputed parties.

In which sectors does MIDC see the potential for more SEZs being setup in India ?

Very easily, biotech, electronic hardware, food processing, automobile clusters, textile clusters are high potential sectors for more SEZs in India & Maharashtra.

What lessons has India learnt from SEZ ventures outside India?

Despite all the positive buzz our SEZs are smaller than the major Chinese SEZs - as the top three SEZs in China cover 126, 51 and 47 square miles in Shenzhen, Xiamen and Zhuhai, respectively, as against 46 square miles for RIL's project near Mumbai and 38 square miles for the Haryana SEZ. While SEZs appear to be a right concept to encourage manufacturing exports, the existing policy will still become friendlier for entrepreneurs. We are still concerned about the private sector's inability to undertake development of large SEZs, most of the infrastructure facilities for SEZs tend to be public. The proposed investments would have otherwise taken place outside the SEZ areas and likely to provide the much-needed boost to the Indian small and medium sector.

MIDC Present Status of SEZs (Dt.03.07.2006)

S. No	Name of SEZ	Type	Area in Hectares	Type of Approval	Investment Expected in Crores (Rs)	No. of Employment Expected
1	Rajiv Gandhi Infotech Park Phase II, Hinjawadi, Pune	IT/ITES sector specific	84.4	Formal	422	25320
2	Rajiv Gandhi Infotech Park Phase III,Hinjawadi, Pune	IT/ITES sector specific	223.56	Formal	1117.8	67068
3	Ambernath, Dist. Thane	IT/ITES sector specific	16.5	Deffered	82.5	4950
4	Addl. Latur	Agro Product sector	155.81	Formal	311 .62	15581
5	Krushnoor, Nanded	Pharmaceutical & related	148	Formal	296	14800
6	Shendre, Aurangabad	Pharmaceutical & Biotechnology specific	101.62	Formal	203.24	10162
7	Kagal, Kolhapur	Textile sector	114.75	Formal	229.5	11475
8	Chincholi, Solapur	Textile specific	195	Formal	390	19500
9	Addl. Yavatmal	Textile specific	208	Formal	416	20800
10	Baramati, Pune	Textile specific	101	Deffered	202	10100
11	Butibori, Nagpur	Textile sector	147.04	Formal	294.08	14704
12	Shendra, Aurangabad	Engineering sector -prd specific	118.13	Formal	236.26	11813
13	Addl. Jalna	Bio-tech prd specific	40.33	Formal	80.66	4033
14	Addl. Sinnar, Nashik	Multi product specific	1010	In Principal	2020	101000
15	Nandgaon Peth, Amravati	Multi product specific	1028.76	Formal	2057.52	102876
16	Bhadravati, Dist. Chandrapur	Captive Power Generation prd. specific	1100	In Principal	2200	110000
17	Usar. Dist. Raigad	Captive Power Generation prd. specific	103	In Principal	206	10300
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BECKONING CAREERS

Designers In Demand

Indian companies are increasingly designing their own products. Result: they are recruiting more designers; but supply is not keeping pace with this growth. KAPIL BAJAJ

THEY'RE NOT QUITE IN THE MBA league yet, and it will be premature to say that they're getting there. But India Inc is waking up to their usefulness. The biggies of business are all queuing up at design colleges to recruit as many designers as they can. Automakers like Tata Motors, Ford, General Motors, Ashok Leyland, Bajaj Auto, Eicher and Hero Honda; consumer durables companies such as LG Electronics, Samsung, Whirlpool, Videocon and Onida; fast moving consumer goods (FMCG) companies like Hindustan Lever, Procter & Gamble and Marico; IT companies like IBM and Infosys Technologies; and big retailers like Pantaloon Retail are all either beefing up their design teams or outsourcing huge amounts of design work to independent design consultancy firms.

According to a survey conducted by the National Institute of Design (NID), Ahmedabad, Indian companies need at least 10,000 design professionals a year to cater to consumers who are becoming increasingly design conscious. The survey identifies consumer durables, FMCG, healthcare, machine tools, automotive, retail and IT among 200 sectors that have a huge pent-up demand for design services.

The country's leading design schools—NID, the Indian Institutes of Technology (IITs), the Indian Institute of Science (IISc), Bangalore and the National Institutes of Fashion Technology (NIFTs)—produce only about 900-1,000 "industrial designers", leaving a huge uns-

Cheers to all: LGEIL's Kang with his flock of designers

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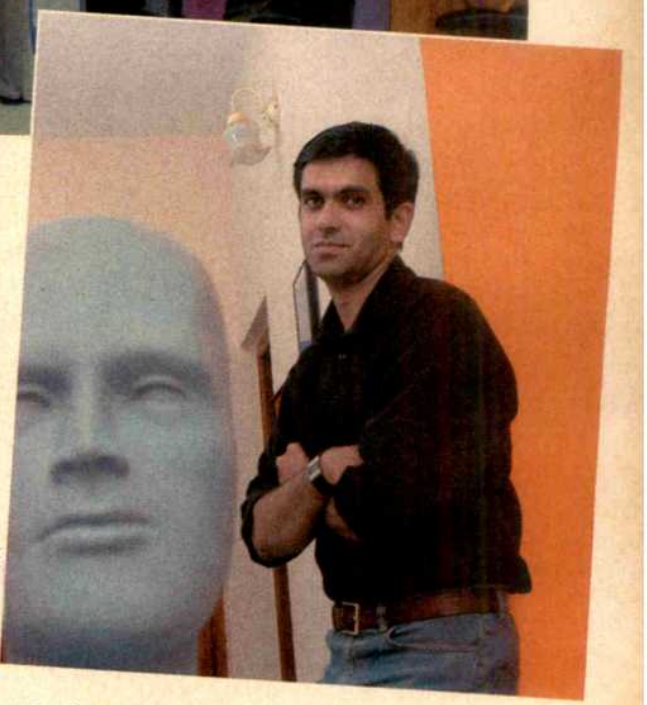
The biggies of business are all queuing up at design

DEEPAK G. PAWAR

The hunt is on: Titan Industries' Kant says designers play a strategic role at her company



GIREESH G.V.

Design conscious: Michael Foley of Foley Design knows the market dynamics well

atiated demand for this tribe. And demand is headed towards the roof.

Home appliances maker Whirlpool, for example, set up its Asia studio, which is part of its global consumer design operations, in New Delhi in 2004. "We are meeting most of our 'conceptual design' needs in-house," says Hari Nair, Director, Whirlpool Global Consumer Design, Asia. The studio currently employs six full-time designers and a few design trainees and "is always looking for good talent", says Nair.

LG Electronics India's (LGEIL's) "substantial" in-house design team meets 40-50 per cent of its design needs, even though India is still considered a minnow in consumer electronics design. Says J.W. Kang, General Manager, Industrial Design, LGEIL: "Our designers play an important role in our understanding the needs of consumers and ideate and conceptualise design solutions across all our product categories."

The company is looking for more product designers, but declines to divulge numbers.

The FMCG sector is also generating massive amounts of work for designers, "mainly in packaging design", says Anuj Prasad, Director and Chief Designer, Desmania Design, a Delhi-based design consultancy that serves companies such as Cadbury, P&G, Reckitt Benckiser and Marico. "Packaging design can make or mar a company's fortunes in the FMCG sector, though there may hardly be any difference between its products and those of its rivals," he adds.

"The realm of industrial design is expanding rapidly and now includes a growing array of products and services. Consequently, the role of industrial designers is also expanding. They are no longer perceived just as product designers, but more as professionals who add value to a consumer's experience of a product or service. In fact, the adjective 'industrial' in industrial design is fast going out of fashion," says Darlie O. Koshy, Executive Director, NID. Adds Lalit

colleges to recriut as many designers as they can

SOUMIK KAR

Striving hard: M&M's Jaura wants at least one refreshed design every year

K. Das, Head, Industrial Design, IIT, Delhi: "Industrial designers are trained to handle the aesthetic, emotional, ergonomic, safety and usability aspects of a product or service, making them great value multipliers for industry."

Michael Foley, former head of Titan Industries' watch design team, who recently started his own consultancy, Foley Design, takes this argument forward. "Malls and supermarkets are exposing consumers to a bewildering array of products and services and they are learning to discriminate between well designed products and others," says the man who designed the Titan Edge, which is billed as the slimmest watch in the world. The organised retail industry, in fact, is turning to designers to "transform" the shopping experience of customers. In the last 4-5 months alone, Pantaloon Retail has hired eight NID graduates as "visual merchandisers" to redesign the look and feel of its outlets, says Sanjay Jog, Pantaloon's Head of HR. "We may recruit about 30 visual merchandisers over the next year," he adds. The company has also hired about 50 textile and apparel designers from various NIFTs this year.

Revathi Kant, Business Head (Design), Titan Industries, says designers play a strategic role at her company—both at the product design stage as well as in enhancing brand presence in about 225 watch and jewellery stores. Titan's watch design team has 26 members, who design new products, do innovative designs and visual merchandising, among several other things. The company, which also outsources substantial amount of design work, is currently looking for designers to fill up some senior positions.

Corporate India's romance with design solutions has also resulted in massive incremental business for independent design consultancy firms. This is leading to more demand for designers. "We will triple our workforce over the next two years," says Sudhir Sharma, Founder Director and Principal Designer of the Pune-based Elephant Strategy & Design, which employs 50 designers and claims to be India's largest consultancy firm in this space.

NID's Koshy points to another significant trend—of IT companies hiring designers for user interface (UI) design and Web architecture. "The Indian software sector has been very successful in building a large pool of professionals, but they need a big infusion of designers," says Desmania's Prasad. Then, there is the automotive sector. Following the success of home grown cars and SUVs such as the Indica and the Scorpio, Indian auto-makers are quietly boosting their design capabilities and resources.

Says Arun Jaura, Senior Vice President (Product Development and R&D), Mahindra & Mahindra: "We are working on several new platforms and will strive to come out with at least one refreshed design every year." The company's design team currently has 14 members. "Indian automakers, excluding the MNCs, will need about 100 automotive designers every year, but, obviously, there is a shortage of good designers," he says.

As companies scramble to hire the best designers—even as they grapple with the skewed demand-supply scenario—salaries in this space have started obeying the laws of economics, rising 25-40 per cent every year. The government last year announced a draft National Design Policy and has drawn up grand plans to beef up education and training of designers at the graduate and post-graduate levels. The proposal envisages the NID and other institutes producing 5,000-8,000 design personnel every year. That is less than even the current requirement. So, it seems as if the shortage of designers will continue for some time—not an altogether bad news for them if you consider their growing salaries. "India's progress towards becoming a leading industrial nation will depend crucially on good design and innovation," says Whirlpool's Nair, putting the issue in perspective.

Jobs Today

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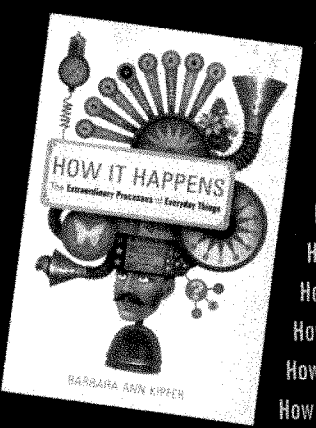

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In Poirot's Footsteps

It won't be that exciting, but checking out CVs can make for a good profession.

THERE IS A GROWING DEMAND FOR QUALITY PRE-employment background screening vendors; they verify educational backgrounds and employment and criminal histories of candidates and (hopefully) keep the thieves at bay. "The industry is still in its infancy but given the scare over recent incidents of employee-related fraud, it is bound to grow rapidly," says Nobby Nazareth of Evaluationz India, a Bangalore-based background verification firm. The IT sector alone is planning to recruit about 100,000 personnel this year. The retail sector will add another million new faces over the next three years. This is likely to translate into 1,000 new job opportunities in the background screening space. "These agencies require people from varied backgrounds ranging from law enforcement (for checking criminal records), management as well as human resources and even hire freshers to undertake some routine work," says Kris Laxmikanth, CEO, The Headhunters, a Bangalore-based HR consultancy.

RAHUL SACHITANAND

WHO'S RECRUITING: Quest Research, Evaluationz, Supersoft, Authbridge, among others

WHOM: Freshers, MBAs, law enforcement offcials, HR execs

AT WHAT SALARIES: Entry-level: Rs 10,000-12,000; mid-level, Rs 25,000+; senior level: Rs 50,000+

THERE'S DEMAND FOR: 500-1,000 people over the next year

PROSPECTS: Industry still in its infancy; so few national or global players in India. But the sector is expected to generate huge numbers over the next 5-6 years. And those who enter now will reap the early bird benefits then

COUNSELLING

HELP, TARUN!

Q: I am a 34-year-old working as a Financial Controller with Punjab Technical University. I did my post-graduation in Commerce and also hold an MBA (Finance) degree. I also have around 10 years of experience in finance, accounts and administration with various government and educational organisations. I now want to switch to the corporate sector and have heard that a PG diploma/programme for executives conducted by IIM-A and ISB, Hyderabad would help my cause. Please advise.

I am not sure that the progarmme for executives, which is a short-term or part-time course, will help. I recommend that you apply to the corporate sector—you should be able to get a job, although it may not be too senior. The other option is to do a full-time MBA.

Q: I am a 26-year-old Arts graduate (Economics Hons) pursuing a one-year PGDCA and working as a DTP operator in a private printing press. I wish to join the corporate sector. Please advise whether I need to pursue an MCA or MBA.

You could do either an MCA or an MBA. The former would keep you in the computer/IT field, while with the latter, you can pursue disciplines like marketing or finance. You could also do shorter courses in computer graphics, animation and such related fields.

Answers to your career concerns are contributed by Tarun Sheth (Senior Consultant) and Shilpa Sheth (Managing Partner, US practice) of HR firm, Shilputsi Consultants. Write to *Help, Tarun! c/o Business Today*, Videocon Tower, Fifth Floor, E-1, Jhandewalan Extn., New Delhi—110055.

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Senior Management Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

Acme (India) Marketing Services Pvt. Ltd., Vice President, Kochi, 15 - 25 Years, 2188489
Candidate must be experienced in running independently similar profit centre, in the services sector. A background in marketing and exposure to International standards like the ISO 9001, ISO 14001, HACCP, OHSAS, ISO 22001, :2000 etc., is preferable.

BEA Systems, Senior Consultant, Delhi, 7 - 10 Years, 2192950
Will develop and architect specific IT infrastructure architecture recommendations, address competitive issues at the IT infrastructure technical level.

Cyborg Technologies, System Test Manager (Wireless), Bangalore, 8 - 12 Years, 1992842
Will lead the system test effort on all lab based testing for wireless protocol, supervising multiple system test programs, handled by test leads in all the wireless domains like GSM, GPRS, EDGE, UMTA and working closely with the WW system test group in Berlin.

Dell Computer Corporation, Online Content Team Manager, Bangalore, 10 - 16 Years, 1962729
Will lead and manage teams of 4 - 5 front line managers & total team up to 30 content developers. Candidate will primarly work with the local team leaders, & the content operations management team to drive scaling, operations excellence & global web development operations for Dell's eCommerce web sites.

E2E Infoware Pvt. Ltd., Country Head, Chennai, 8 - 15 Years, 2190808
Responsible for overall operations including P&L, business planning, strategy formulation, expense management, business development & business unit relations.

Karle Group Of Companies, Marketing Manager [Apparel], Bangalore, 10 - 15 Years, 403888
Candidate with in-depth understanding of global marketing. Must have ability to device marketing strategies to effectively develop business with the corporate vision and should be an expert in sourcing raw material, costing, vendor development, supply chain management of apparel marketing.

Larsen & Tourbo Ltd., Payroll Senior Manager, Mumbai & Pune, 10 - 15 Years, 1934521
Role involves implementation of various company schemes, annual appraisal, genaral administration, interpretation of long term settlement, time keeping & wage administration.

McAfee Software India Pvt. Ltd., Development Manager, Bangalore, 7 - 12 Years, 2184761
Responsibilities include managing a team of developers and ownership of mission critical applications, identifying obstacles, developing and monitoring projects plans based on assessment of team members skills.

Motorola India Pvt. Ltd., Quality Engineer, Bangalore, 8 - 12 Years, 2114173
The candidate will manage quality performance of India EMS & ODM suppliers across all businesses, support India EMS operations lead in driving supplier performance and effectively manage indirect/matrix resources to achieve goals.

Microsoft SMSG, Executive Producer, Bangalore, 10 - 15 Years, 2154635
Responsible for the overall availability/production of content of any form at MSN, approving the creation, acquisition, rendering, and all budget associated to the overall user experience.

Netcore Solutions Pvt Ltd., VP - Sales and Marketing, Mumbai, 10 - 20 Years, 2188786
Responsible for launching and enhancing consumer products over the time and adapting products and services to changing consumer needs. Also will be involved in revenue generation from consumer and marketing and selling services to enterprises by managing sales channels.

Pharmed, Vice President - Finance, Bangalore, 12 - 18 Years, 1961833
Will be responsible for controlling funds, assets and financial reporting. He/She will have to work closely with senior colleagues in order to determine and arrange the financial structuring of investments.

Real Soft Inc., Project Manager - Telecom, Bangalore, 10 - 15 Years, 2076438
Must have goods delivery background (project management, people management, customer management, process management etc.) and strong skills in J2EE and Oracle. Telecom billing experience desirable, integration experience with external systems like payment gateways.

SITPL, Head - Engineering Delivery, Bangalore, 14 - 18 Years, 2189565
The person will be involved in software development, product development, product engineering, customization, global product support, program management, business development and organization building.

Tesco India, Onsite Project Manager, Bangalore, 10 - 15 Years, 2180453
The candidate should have experience of handling multiple projects simultaneously, on cross-functional teams; ability to negotiate and interact with several stakeholders to deliver quality deliverables. He must have good knowledge of testing process, procedures and tools.

Venture SoftTech India Pvt. Ltd., Program Managers, Chennai, 8 - 14 Years, 2085134
Person must have at least two years project management experience and must have implemented, and managed projects in an embedded environment on the actual board.

Wipro Limited, Practice Manager - Software Products, Bangalore, 10 - 15 Years, 2192243
Should have master competency on Windows Programming, java technologies, Unix programming (Linux internals, database engineering, cross platforms engineering on Unix flavors).

Xansa [India] Ltd., Test Manager, Noida, 10 - 14 Years, 2187065
Must have good understanding of testing methodologies and practices. Experience in test estimation and test management is a must. He should have industry experience and should be working in the capacity of test manager currently.

To know how to apply for these jobs, go to finance jobs listing page.

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IT Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

Cimcon Software (I) Pvt. Ltd., Project Engineer, Ahmedabad, 2 - 5 Years, 2016758
The person should be familiar with PLC and SCADA programming, should be able to understand clients' requirement with exposure to different brands of PLC / RTUs.

CG-CoreEL Programable Solutions Pvt. Ltd., Sr. Verification Engineers, Bangalore, 3 - 10 Years, 1939518
Must be able to execute an ARM core based design and to debug the simulation failure, verify a million gate ARM core based ASIC at system level using SystemC components and execute the test case and report the simulation failures. Should be able to understand and implement changes to the test bench and test cases.

CEI India Pvt. Ltd., Microsoft Dot Net Developer, Chennai, 2 - 5 Years, 200019
The desired person should have skills in .Net, C#, ASP.Net, ADO.Net, VB.Net etc. Knowledge in database design tools like ERWIN and PL/SQL, T/SQL programming will be added advantage.

Infeon Global Solutions, UNIX, Shell Scripting, Pune, 2 - 5 Years, 2179822
Candidates should be proficient in UNIX, Shell Scripting and Oracle. Knowledge of VMS will be an added advantage.

IPsoft India Pvt. Ltd., Oracle Apps DBA, Bangalore, 6 - 12 Years, 146703
Primary responsibility of performance planning and execution of improvements, capacity planning, applications stability and availability. Design and develop performance monitoring standards and analyze information to make recommendations on monitoring and performance.

InfoCepts Technologies Pvt. Ltd., Data Warehousing Consultant, Pune & Nagpur, 2 - 4 Years, 2036791
Will develop applications for data extraction, transformation, and loading optimized for maximum scalability with minimum maintenance requirements, develop business intelligence applications for data analysis optimized for the best performance.

Iris Software Pvt. Ltd., Java Team Leader, Delhi, 5 - 7 Years, 2052108
Should have strong skills in development, debugging, testing and troubleshooting applications using Java / J2EE and in-depth knowledge of software engineering and OOP principles, core Java, J2EE, Java libraries, database technologies and associated tools.

KPIT Cummins Infosystems Ltd., Oracle Apps (Mfg) Technical Consultant, Website Designer, Pune, 4 - 8 Years, 2169567
The candidate should have full implementation experience on Oracle Apps, and good working expereince on BOM, WIP, INV, OM etc.

Melstar Information Technolgies Ltd., Project Leader - Java, Mumbai, 4 - 8 Years, 2194069
The ideal candidate will be managing all the phases of design, developement, architecture and technical implementation of projects using Java J2EE technologies. Must have hands-on experience in EJB, weblogic, websphere etc.

Oracle India Pvt. Ltd., Java, J2EE Developer, Bangalore, 3 - 10 Years, 2102663
The required candidate must have strong core Java and J2EE skills and strong experience in building Web based applications. Desirable skills include JSP, JSF, Web Services, Ant, XML, Junit and HttpUnit.

Optimos India Pvt. Ltd., Network Administrator, Pune, 3 - 4 Years, 2045684
Candidate should have good networking knowledge. Cisco or Microsoft Certification is a must. He/She should have experience on LAN, WAN and VPN.

Par Web Solutions, Web Programmers - PHP, My SQl, VB, Mumbai, 0 - 10 Years, 2192577
The role involves designing MySQL database structure based on the project requirements, creating software application using VB to do the conversion of content from XML, SGML & other formats into the designed MySql format.

Patni Computer Systems Ltd., Network Security Engineer, Hyderabad, 4 - 9 Years, 2194778
The desired candidate must have strong skills and experience in checkpoing firewall, PIX, IDS etc.

Reuters, Reuters Support Executive, Mumbai, 4 - 6 Years, 2152513
Must have sound technical knowledge of Reuters including RT, Triarch, Prism, Reuters 3000, Datafeeds and mainstream operating systems, including Windows 95/98/2000/NT/XP, SUN OS and UNIX. Responsible for provision of technical support and assistance over the telephone and other electronic mediums in a prompt, efficient and professional manner.

Sasken, SE / SSE - Intelligent Network, Bangalore, 3 - 6 Years, 2155811
The person must be an expert in INAP / TCAP /MAP / SCP / SCCP / SSP / SDP and operating systems Unix/ Solaris/ HP-UX/ Linux etc.

Sellcraft Softech Pvt. Ltd., QA Engineers, Bangalore, 5 - 8 Years, 2193826
Must have good knowledge of QTP and automation frameworks and must have understanding the PRD and carry out exhaustive product testing for functionality.

V2 Tech Ventures Pvt. Ltd., Graphic Designer / Web Designer, Mumbai, 1 - 3 Years, 1970554
Candidate must excel in current internet standards, including web browsers and browser specifications, in-depth knowledge of one or more current web markup or scripting languages such as HTML, XHTML, Java Script. In addition to that knowledge of Dream Weaver is essential.

Xius, Developers / Lead Developers, Hyderabad, 3 - 6 Years, 2152239
The ideal candidate should have an experience in C++, Unix, socket programming, multithreading, Pro*C & IPC. Candidate must have experience in real time projects.

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Sales and Marketing Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

Axiom Energy Conversion Pvt. Ltd., Sale Coordinator, Hyderabad, 1 - 5 Years, 2188921
Will coordinate with dealers and distributors all over India for the payments and also will coordinate with marketing executives who are in fields. Should have working knowledge on the computer of MS Word and Excel.

Atlogix Software Solutions Pvt. Ltd., Online Marketing Executive, Mumbai, 0 - 2 Years, 2194368
To execute regular email campaigns, both to our in-house & to external lists, report on results & make suggestions to improve effectiveness, implement & optimize online media campaigns to attract visitors to the website, & report on results, etc.

Cry Child Relief And You, Manager - Individual Partnership, Bangalore, 5 -7 Years, 2168353
The role involves achievement of income targets by the existing channel partner and tele calling agencies in south, monitoring, training and adherence to systems of existing channel partners and tele calling agency and generate resources at a budgeted level of profitability.

Design Core (India) Pvt. Ltd., Manager – Marketing & Business Development, Bangalore, 5 - 10 Years, 2185482
The incumbent will be responsible for business management, target planning, domestic and international sales, dealer development, team leadership.

Dagger Forst Tools Ltd., Marketing Manager, Mumbai, 7 - 10 Years, 2171187
To understand the needs of industrial clients and keep close coordination with manufacturing. Responsibility will include development of new business, achieving sales targets & collection of outstanding payments.

Garware Wallropes Ltd., Assistant Manager Sales, Delhi, 4 - 5 Years, 2188271
The candidate will be incharge of marketing activities of the region. He should be conversant with marketing of Geosynthetics Products or Construction Chemical products over a large territory.

Hewlett Packard, Sales Product Spec., Bangalore, 8 - 14 Years, 2158733
Will participate in selling of an integrated solution in coordination with other sales professionals & perform project management role extensive time working with& leveraging external partners to deliver sale.

Indegene Lifesystems Pvt. Ltd., Assistant Manager - Medical Marketing, Delhi, 3 - 5 Years, 1852694
Prepare creative briefs for all communication, follow up with agency too with regard to development of all communication material. Will be responsible for preparing timely and monthly brand performance sheets.

LioNBRIDGE, Inside Sales Associate, Mumbai, 1 - 3 Years, 2180381
Will generate qualified business opportunities across all lines of business, research and cold call into prospective accounts. He will need to engage prospects through telephone / email / web conferencing and build sales pipeline for future sales engagements.

March Infotech, IT Marketing Executive, Delhi, 0 - 9 Years, 2189103
Will be involved in maintaining & developing a computerized customer & prospect database; plan & carry out direct marketing activities to agreed budgets, sales volumes, values, product mix & develop ideas & create offers for sales promotions to prospective clients.

Mahindra Holidays & Resorts (I) Ltd., Marketing Manager, Bangalore & Chennai, 2 - 4 Years, 2150892
The incumbent will look at brand building, research and pure marketing activities. Will focus on conceptualizing and creating the marketing strategy, monitoring of strategy implementation, resource allocation and performance management.

Reliance Communications, Presales Managers, Mumbai, 3 - 5 Years, 1871336
Job involves customer presentations, customer requirement analysis, organizing IDC visits, offering solutions in line with customer's requirements, design proposals, order negotiation, etc.

Sigrun, Head - Marketing, Mumbai, 10 - 15 Years, 2169873
Will drive the marketing plan for entire business and drive the marketing plan for entire businesses in areas such as retailing, power, food processing and real estate.

Subex Systems Ltd., Engineer / Sr.Engineer - Sales, Bangalore, 2 - 4 Years, 2188357
The person will be involved in supporting sales with customer presentations and meeting, solution architecting, providing technical clarification for sales and customers, generation of statement of work, training the sales team and reparation of sales presentation and document.

Sierra Atlantic Software Services Ltd., BDM - Inside Sales, Hyderabad, 2 - 6 Years, 1892699
Must have tele-sales experience, preferably in the North American territory and experience in project sales. Exposure to ERP selling (Oracle e-suite) will be an added advantage.

Vivek Laboratories, Sales Manager / Marketing Manager, Nagercoil, 0 - 1 Years, 2160219
The person is required to plan, organise and carryout effectively the marketing activities of the laboratory in Tamil Nadu, Pondycherry, Kerala and Karnataka.

Winsoft Technologies (I) Pvt. Ltd., Senior Corporate Sales Executive, Mumbai, 2 - 5 Years, 312758
Will generate business for the products & services of the company, create new business opportunities in the financial sector, set up and give product demos and presentations, achieve business targets, create and manage new customers.

Zycus Infotech Pvt. Ltd., Manager / Asst. Manager, Mumbai, 2 - 6 Years, 2174973
He/she will be responsible for doing research, direct marketing, running a marketing campaign, market study and creating awareness of new initiatives in USA & Europe market.

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Finance Jobs

Read in the following order - Company Name, Position, Location, Experience, Job ID, Job Description.

British Gas India Pvt. Ltd., Executive – Treasury, Mumbai, 2 - 3 Years, 2017695
Will be involves in accurate accounting of entries and weekly forecasting, optimizing use of funds and timely payments to vendors. Must have good knowledge of banking operations.

Bhukhanvala Holdings Pvt. Ltd., GM Finance, Mumbai, 5 - 7 Years, 299024
Candidate should have experience in managing banking relationships. The person should have leadership quality & ability to manage entire accounts team efficiently. He/She should be well conversant in accounts, costing, finance, and taxation matters.

Changepond Technologies Ltd., Accounts Executive, Chennai, 2 - 4 Years, 2164705
Responsibilities include handling accounts in a chartered accountants firm / a small IT company. Must have ability in handling employee payroll and other statutory procedures like ESI, PF etc.

D V Mittal & Co., Chartered Accountants, Delhi, 0 - 5 Years, 2164926
The person should have experience in statutory and internal audit. He should have done audit independently of good companies.The person should have the capabilty to manage 5 - 6 person under him.

Eastman Cast And Forge Limited, Account Executive, Ludhiana, 3 - 5 Years, 2178509
Must have experience of handling Taxation, Central Excise, Sales Tax, Service Tax, Income Tax, VAT and other banking related matter in a medium size manufactruing company.

GlobeOp Financial Services, Associate - Fund Accounting, Mumbai, 3 - 7 Years, 2181473
Responsibilities include assisting and reviewing month end NAV statements, conducting trade, position ad cash reconciliations, preparing Ad - hoc reports for our fund manager and ensuring that expense accruals are booked.

Hindustan Biosynth Ltd., Commercial Officer - Central Excise & Strores, Vadodara, 7 - 10 Years, 2141626
Job involves maintainance of all documents & records of Central Excise in ERP systems, preperation of Central Excise invoices in ERP systems & availing of Cenvat & Services Tax credits under respective rules.

Interface Cybertech Pvt. Ltd., GM - Finance, Hyderabad, 10 - 15 Years, 2173827
Responsibilities include revenues & collection accounting, capital expenditure accounting, accounts finalization & audit, etc.

Kelly Services, Head - Finance & Accounts, Mumbai, 8 - 10 Years, 2056469
Job responsibilities involve working capital management, preparation of monthly MIS, which includes monthly profitability analysis.

Karl Storz Endoscopy (I) Pvt. Ltd., Finance Manager, Delhi, 5 - 12 Years, 2162606
The selected candidate would be independently responsible to develop & manage day to day operations of the finance department, meet statutory & taxation requirements & coordinate with external auditors & controlling department of overseas based headquarters.

Panoramic Group of Companies, Audit Officers, Mumbai, 2 - 5 Years, 424023
The required candidate must have thorough knowledge in accounts, finance, auditing etc., and must have minimum of 3 years experience preferably in service industry.

Parsec Technologies Ltd., Senior Executive - Accounts, Delhi & Gurgaon, 3 - 4 Years, 2174710
Must ensure that the books are maintained as per schedule VI requirements and as per Indian Accounting Standards, implement accounting policies and procedures, interacting with internal auditors and coordinating the routine activities of Statutory and Tax Auditors etc.

Suzlon Energy Ltd., Manager - Taxation & Audit, Pune, 6 - 7 Years, 2174881
Candidate should have knowledge and experience in systems audit, managment audit.

Sena Systems Pvt. Ltd., Accounts Assistant / Bookkeeper, Pune, 1 - 3 Years, 2194391
Will be responsible for maintaining the books of accounts and aspects relating to tax and salary of the employee. He/She will take care of the accounts of the company in consultation with the technical manager and the administartive assistant.

SKP Group, Tax Executive, Pune, 1 - 6 Years, 2194612
The work involves functions mainly preparation of Tax returns of UK individuals, partnerships, trust etc., preparation of financial statement and other records that are part of Tax returns etc.

Turbomachinery Engineering Industries Ltd., Finance Manager & Asst. Finance Manager, Hyderabad, 6 - 15 Years, 2175303
Should be accountable and answerable for total financial management and financial transactions of a independent unit. Preferably working with group companies/ manufacturing industry.

Transdyne IT Services Pvt. Ltd., Finance Executive, Hyderabad, 0 - 2 Years, 1887212
Will be involved in accounting functions like payroll, accounts reconciliation etc. Responsible to carry out accounts related statements, general expenses accounting, bank reconciliation statement, regular TDS compliances & TDS return filing.

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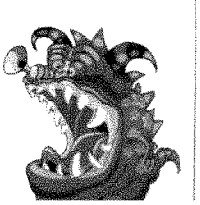


The Battle For Land

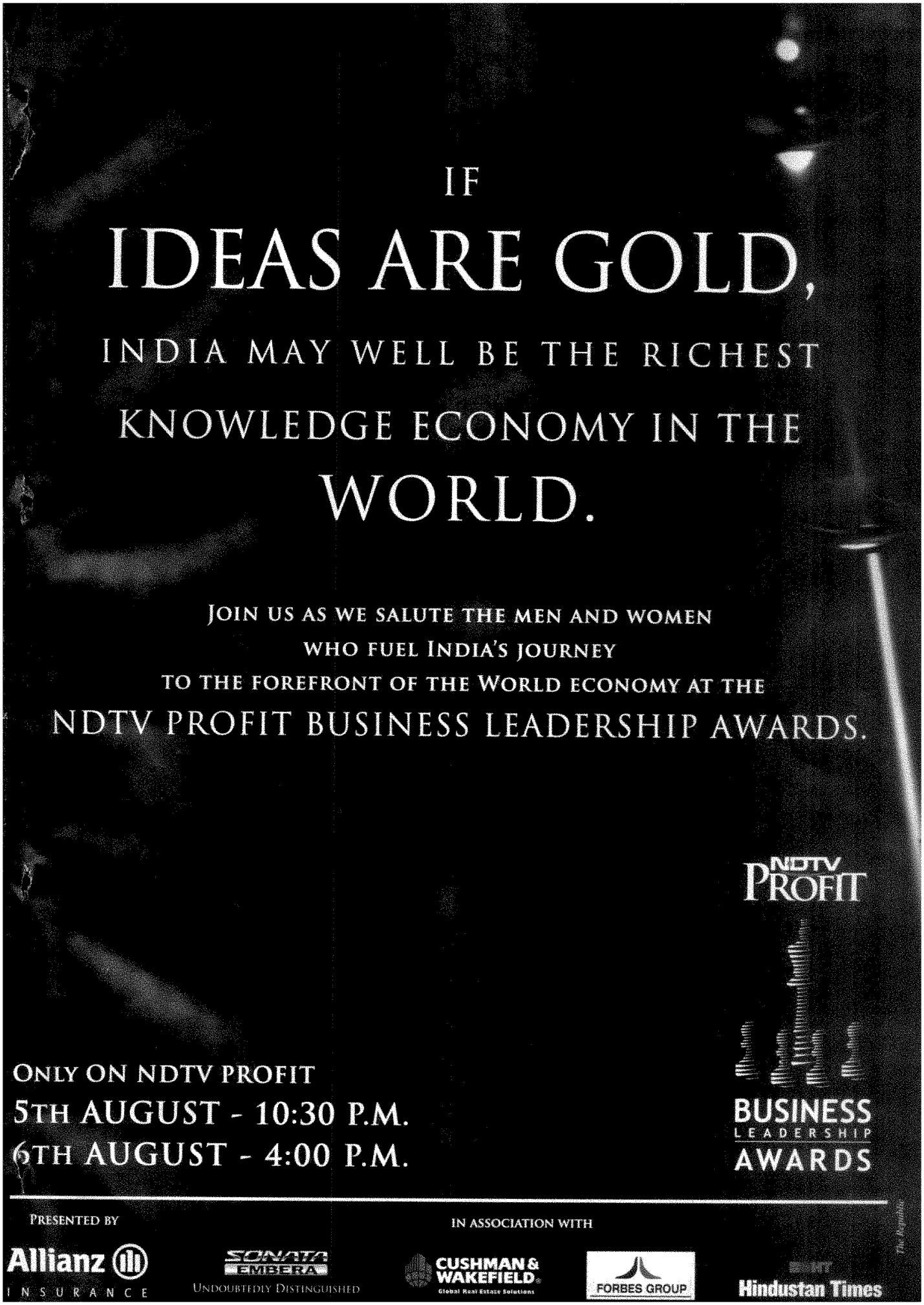
Red signal: Trinamool Congress' Mamata Banerjee rallies farmers against government land acquisition

The farmer protests in West Bengal over acquisition of land for Tata Motors only reflect an increasing nationwide phenomenon. RITWIK MUKHERJEE

JULY 18, 2006
Singur, 55 km off Kolkata

A FEW THOUSAND ANGRY FARMERS HAVE gathered at Bajemelia Mouza (Singur) in Hooghly, some 55 kilometres from Kolkata. The brown expanse is wet, thanks to a light drizzle, but the mood here is anything but damp. The land that we are standing on is part of the 1,200-acre site that the West Bengal government wants to acquire for Tata Motors' small-car plant. There have been sporadic protests in these parts ever since the state government announced plans to acquire land for the project, and today the farmers, who have been asked to stop cultivation of their paddy fields in this area, are awaiting the arrival of Trinamool Congress supremo, Mamata Banerjee, who has been championing their cause. "Buddhababu (Chief Minister Buddhadeb Bhattacharjee) should come here today to see the strength of the farmers in Singur...the Tatas will just run away from this place," is the rallying buzz spreading fast among the farmers.

After a delay of several hours, at 3:20 PM, Banerjee, or *didi*, arrives in a shiny new Scorpio. The slogan-shouting crowd runs amok as *didi* takes the make-shift stage, a Tata 407. After a short speech, she suddenly gets down and starts walking through the muddy field to plant a sapling in a symbolic gesture of defiance. The crowd, mostly local farmers, follow her. "We'll give our blood, but not give up our land," shouts Khursheed, a local farmer in his 40s. Someone else shouts, "Tatas go back". *Didi*, however, clarifies: "We are not against any particular industrialist or industrialisation in general. We are against forceful acquisition of crop land.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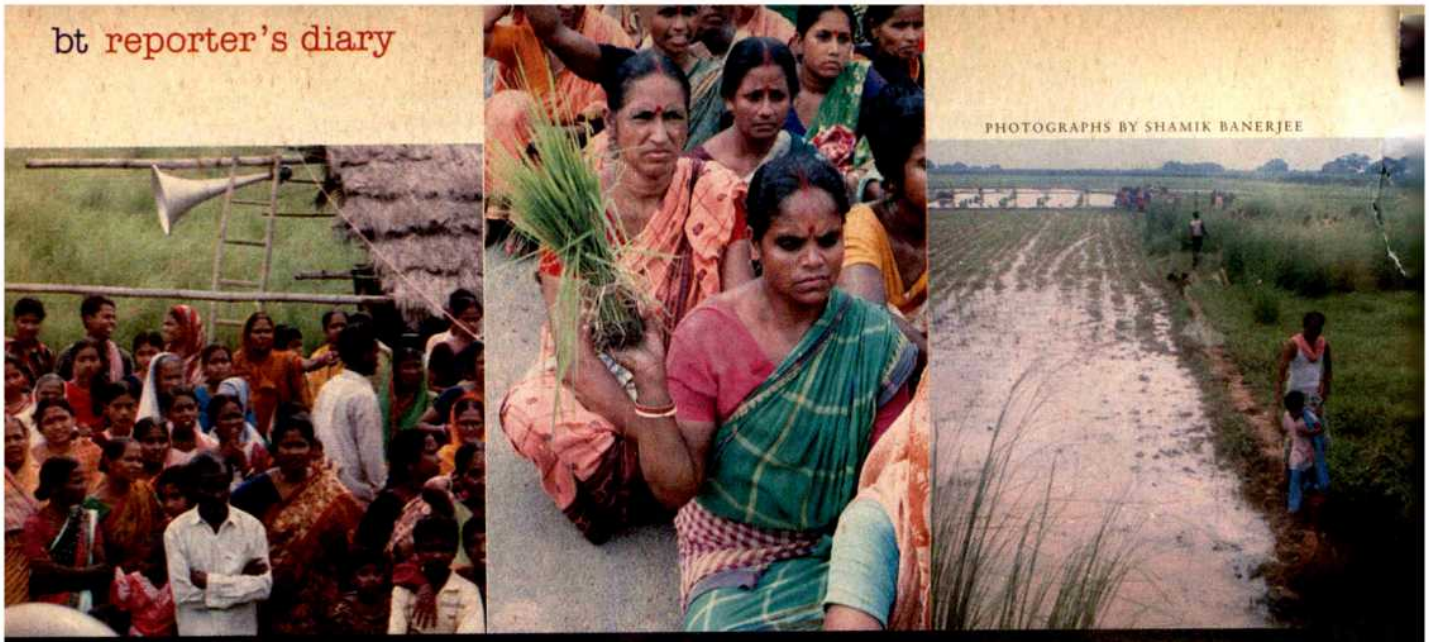


PHOTOGRAPHS BY SHAMIK BANERJEE

Left in the lurch: The issue for farmers of Singur, like those elsewhere, is two-fold. Some of them don't want to sell their farms, while the others aren't happy with the compensation being offered by the state government

Let there be industry on closed industries' land." (Tata Motors refused comment.)

Banerjee or her farmer friends in Singur are hardly the only ones protesting over acquisition of land by government for development. Over the recent months, there have been similar protests all over India. In a village called Attipra near Thiruvananthapuram in Kerala in February this year, revenue officials were forced to back off from a land survey after villagers surrounded them in protest over acquisition of 270 acres of wetland for expansion of a technology park. In early April, hundreds of people in Chennai formed a two-kilometre long human chain stretching from Pallavaram to Trisulum in Tambaram to mark their protest over acquisition of additional land for the Chennai airport. Haryana, Orissa, Madhya Pradesh are some of the other states that have witnessed similar protests.

The issue at the core of such protests is the same: Farmers either don't want to sell their land or think they are not being adequately compensated. Given that governments have the right to acquire any land, there is no legal option available, except to stage protests. As for the price, apparently, most state governments follow a standard formula for arriving at the compensation. Typically, the cost at which land is bought is the average of the previous six months' market price. Depending on the type of land and nature of cultivation (single crop or multiple crop) and intended use of the acquired land, prices range from Rs 80,000 to Rs 3 lakh per acre. However, since the Supreme Court has ruled that the government cannot fix the market price for land, rather it must be decided by the buyer and seller, purchase price can vary from one state to another and within a state too. "More than 50 per cent of the farmers have already consented to offer their land across five *mouzas* (or crop-land demarcated according to its registration with various panchayats) of Gopal Nagar, Bajemelia, Khaser Bheri, Singer Bheri, and Barberi," says Abhijit Mukherjee, block development officer, Singur. "We have not included multi-crop land, land under extensive cultivation and habitation," he adds.

Trinamool's Banerjee pooh-poohs the state's claims. "These are all bogus names. Either they don't exist or they don't own any land," she says. But Mukherjee has an explanation for the protests. "Farmers who do not have clear papers or do not have clear title or partition deeds fear that they might not get the compensation. And these are the people who are creating trouble, who are being instigated," he says. The protesting farmers themselves, of course, don't agree. "These farmers have come spontaneously to register their protest and more will arrive in the coming days," says Becharam Manna, the convener of the Krishi Jami Bachao Committee.

The state government isn't about to give up either. The ruling CPI (M) government has set up a core committee to facilitate land acquisition. People like Ranjit Mondal, a member of the committee, Srikanta Chatterjee, Secretary of Krishak Sabha's local unit, and Sruhid Dutta, the *sabha*'s President, are meeting farmers one-on-one to convince them to part with their land. However, Mondal says that "farmers are approaching us on their own to give their land. Already, 483 farmers have offered 412 acres."

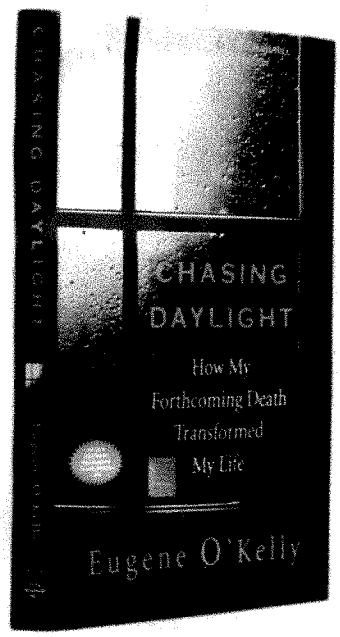
Perhaps, but land acquisitions is an issue that will only get more contentious across India. And the only way to end this struggle may be to ensure that farmers have a stake—even if limited—in the new factories and special economic zones that will rise on their paddy fields. What's needed today is a land acquisition model that's both transparent and fair. ■

Life On His Mind

With death just three months away, KPMG's US CEO decided to stop and reflect on life. R. SRIDHARAN

CHASING DAYLIGHT
How My Forthcoming Death Transformed My Life

By Eugene O'Kelly
Tata McGraw-Hill
Pp: 179
Price: Rs 250



WHAT WOULD YOU DO IF YOU FOUND out that you had just 100 days to live? Would you pray, seek a miracle cure, or simply focus on tying up loose ends? Not an easy question to answer. And it wasn't for Eugene O'Kelly either, when the CEO of KPMG's US operations was told by his doctors last week of May in 2005 that he had just about three months to live. But being relatively young (53), O'Kelly decided not to wallow in self-pity or make his loved ones miserable, but to be "the master of my own farewell". *Chasing Daylight*, then, is the remarkable story of how one man rediscovered life as he approached death.

Normally, that sort of writing should make for disturbing—perhaps, even morbidly voyeuristic—reading, but O'Kelly's autobiography is nothing if not inspiring. It is written simply, from the heart and with great thought. Reading it, you are forced—just as the writer was—to stop and think about life. When was the last time you looked up to admire the sky, the stars, or the green leaves on a tree? When was the last time you called a sibling, a friend or even your parents out of the blue? When was the last time you wondered why you are even here, on Earth? As O'Kelly realised in his dying days, "the life had to be enjoyed as explicitly and as often as possible, right now".

So, soon after the doctors tell him that he has terminal cancer of the brain, O'Kelly decides to do three things: quit his job as the Chairman and CEO of KPMG, find a medical treatment that might help and, three, "make the time remaining the best of my life, and as good as it could possibly be for those most affected by my situation". On June 8, 2005, barely two weeks after the fatal diagnosis, O'Kelly puts in his papers. He takes a shot at chemotherapy, but soon realises that it is futile in his case, and decides to spend the rest of his days connecting with his family and friends.

In the book, Kelly calls it "unwinding". "But why did I want to (unwind)?" he asks. "Why would anyone want to make some kind of part-symbolic, part-literal break with all the people he had enjoyed and loved?". Needless to say, it was a rhetorical question. "As soon as I started the process, it felt right. And it made me think that other people, especially those with more than three months left, could benefit from the approach I took, or at least modify it to make it their own". If there's only one thing you take away from O'Kelly's autobiography, then let it be this. ■

ENCYCLOPEDIA OF THE GLOBAL ECONOMY (VOLUME 1 AND 2)

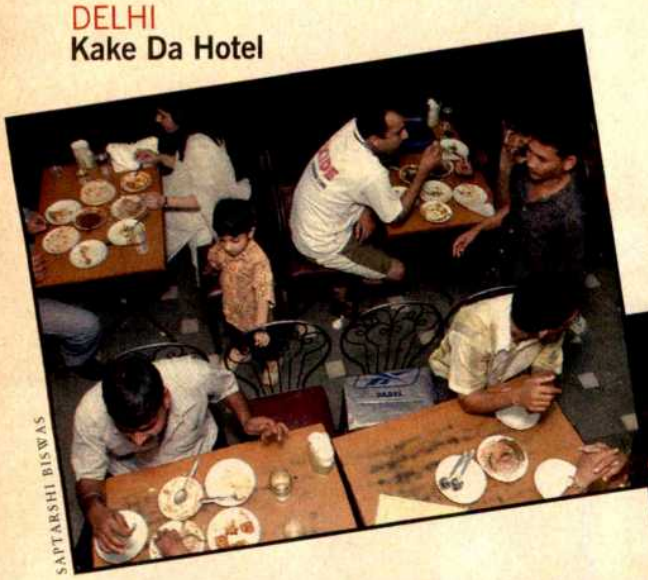
By David E. O'Connor
Academic Foundation
Pp: 440 + 374
Price (set): Rs 2,995

CONFUSED WHAT THE BRETTON Woods System was all about or what the three alternative theories of growth are? Then O'Connor's *Encyclopedia Of The Global Economy* may be just what you need. Available in two volumes, the encyclopedia "examines the key people, institutions, current issues, and historical events that shaped the global economy". Volume One consists of 168 entries on key international topics, besides a timeline of key economic events since 1776. Volume Two is all about data related to 10 topics, ranging from population to global output to least developed economies to external debt. A high school teacher of economics, O'Connor has packed in a mind-boggling variety of economic information in the two volumes. Did you know, for instance, that the informal economy employs as much as 42 per cent of the workforce in Africa, but the number is just 13 per cent in North America? Or that Mexico's maquiladoras, of duty-free assembly plants, get 21 per cent of the country's FDI? The idea behind the encyclopedia, O'Connor explains, is to invite "readers to explore and analyse the international organisations, global issues, and personalities that have moulded today's dynamic global economy". Students, researchers and even executives will find the encyclopedia of great value.

Midnight Feasts

Most eateries outside of five-star hotels down shutters well before midnight. But, every city has a few joints that remain open later than others. Here's a gourmet's guide to a late night gastronomic treasure hunt across five cities.

DELHI
Kake Da Hotel



SAPTARSHI BISWAS

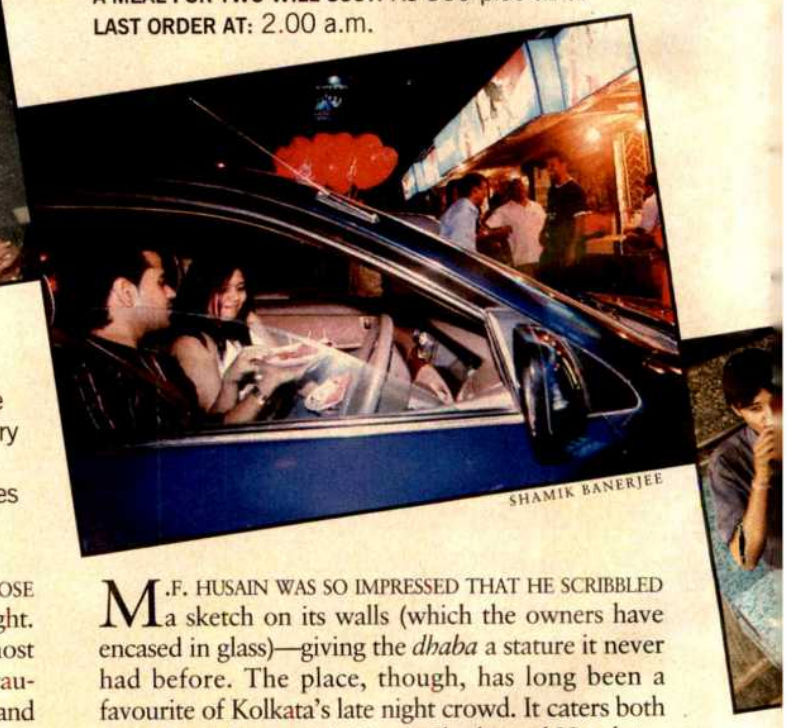
LOCATION: On the outer circle of Connaught Place
SERVES: Butter chicken, *keema kalaeji*, brain curry and other north Indian and tandoori fare
A MEAL FOR TWO WILL COST: Rs 265 including taxes
LAST ORDER AT: 12.00 midnight

DELHI OFFERS ANY NUMBER OF OPTIONS FOR THOSE looking for reasonably priced food late at night. We chose Kake Da Hotel because it was the most accessible, though it is not the most hygienic restaurant in the capital. The food is traditional Punjabi and is proof of the Delhiites' undying love for butter chicken, mutton *kebabs* cooked in Afghani style and tandoori *rotis* and *naans*. It caters to the party crowd, BPO employees as well as the more humble person on the street. Be warned: the place is almost always crowded to capacity and a 20-30 minute waiting period is considered par for the course. Items like mutton *roghan josh*, chicken *tikka kebab* and *dal makhani* are excellent, though other vegetarian items like *palak paneer* may leave you slightly dissatisfied.

KAPIL BAJAJ

KOLKATA
Azad Hind Dhaba

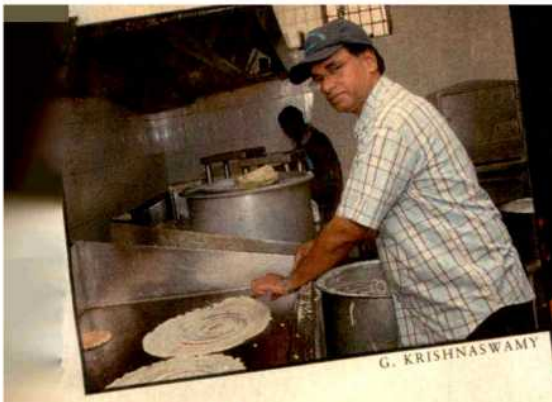
LOCATION: On Ballygunge Circular Road, near Max Mueller Bhavan
SERVES: *Biryani*, tandoori dishes, *dal makhani*, *kebabs* and other north Indian and Mughlai dishes
A MEAL FOR TWO WILL COST: Rs 300 plus taxes
LAST ORDER AT: 2.00 a.m.



SHAMIK BANERJEE

M.F. HUSAIN WAS SO IMPRESSED THAT HE SCRIBBLED a sketch on its walls (which the owners have encased in glass)—giving the *dhaba* a stature it never had before. The place, though, has long been a favourite of Kolkata's late night crowd. It caters both to patrons who come in Mercs, Skodas and Hondas as well as more humble taxi drivers and petty tradesmen. And there's always a huge rush, especially on weekends. Says D.B. Sharma, one of the owners of the *dhaba*: "Our speciality is serving hot, hygienic food fresh from the oven (food is never reheated); that's why we take a little time to service clients." Some people prefer to eat in their cars, so you will find waiters scurrying from car to car with steaming plates of food. This sometimes gives it the ambience of a roadside café.

RITWIK MUKHERJEE



G. KRISHNASWAMY

FAWZAN HUSSAIN

CHENNAI
Murugan Idli Kadai

LOCATION: On G.N. Chetty Road, near the statue of Kannadasan, in T-Nagar
SERVES: Set lunches, *dosas, idlis, uthappams, pongal*, sweet *pongal, vadai, etc.*
A MEAL FOR TWO WILL COST: Rs 90
LAST ORDER AT: 12.00 midnight

THIS PLACE IS A FAVOURITE WITH MARWARIS WHO close their businesses for the day and come here for hygienically-prepared food," says S. Manoharan the proprietor. It's popular with other sections of the population as well—and serves a minimum of 1,000 customers a day. Manoharan adds that most commercial establishments don't serve "home" food. "You won't fall ill or get stomach bugs even if you eat here every day," says the man who learnt his recipes on his grandmother's knee from the age of five, and today, owns a chain of five eating joints.

NITYA VARADARAJAN

SOUMIK KAR

MUMBAI
Parag Juice Center

LOCATION: Dadar East, near Tilak Bridge
SERVES: Pizzas, *dosas, idlis, pav bhaji* and close to 100 types of juices
A MEAL FOR TWO WILL COST: Rs 30
LAST ORDER AT: 2.00-2.30 a.m.

THIS PLACE LOOKS LIKE A MINI DADAR (RAILWAY station) at night," says Vikas Parab, a regular at the eatery. "And you'll see rickshaw pullers and senior managers eating side-by-side here." What's its USP? "Swift service, clean, hygienic fast food and ideal location," reveals Vaibhav Harish Majithia, son of one of its two owners. Apart from juices and pizzas, "our *idli-sambhar* sells like hot cakes as regular south Indian restaurants in the suburbs shut by midnight," he adds. The typical late night crowd: party hoppers and BPO employees. Another big draw: parking is not a problem here.

ANAND ADHIKARI

Bade Miyan

LOCATION: Off Colaba Causeway
SERVES: *Kebabs*, rolls, *bheja* curry, *baida rotis*
A MEAL FOR TWO WILL COST: Rs 200-250
LAST ORDER AT: 1.30 a.m.

IT'S NOT EXACTLY THE MOST HYGIENIC PLACE IN THE world, but Bade Miyan still attracts television and movie stars all the way from Juhu and Goregaon who come down and fight for the waiters' attention with everyone from college kids to office workers and people of the night just to eat here. Try the fantastic *baida* (stuffed) *rotis* or the sumptuous *bheja* (mutton brain). The *tikka* and *seekh* rolls are also quite delicious, but if you are a PETA activist, this place is a must-avoid—because it is a carnivore's paradise.

KUSHAN MITRA

BANGALORE
New Empire

LOCATION: At the intersection of Church Street and Museum Road
SERVES: *Dosas*, chicken curry, grilled chicken, *biryani*, Kerala *paranthas*, topped off with *sulaymani* tea
A MEAL FOR TWO WILL COST: Rs 100
LAST ORDER AT: 11.15 p.m. (official); 3.00 a.m. (unofficial)

GIRESH G.V.

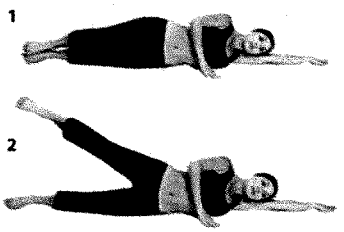
BANGALORE'S HIP SET CALL it Emppy's. And at night, the kerb outside this place looks like a veritable fashion parade—of sexy wheels and their beautiful occupants. But, be warned: you have to share tables (even in the "Family AC Section"); and your neighbour could well be a prince or a pauper. And it's always packed to the rafters. "The grilled chicken makes waiting for (and occasionally) fighting over a table worth one's while," says Siddharth Naidu, front man for Threinody, a Bangalore music band who often ends up at the joint after late rehearsals or parties.

RAHUL SACHITANAND

A Low-rise Ready Body

THE LAST TIME I CHECKED, LOW RISE JEANS WERE STILL IN. YOU know the kind that you—both women and men—wear several inches below your belly-button and just a few centimetres higher than... never mind, I know you know the genre of apparel I'm talking about. Both women and men can (and do) look good in low rise jeans but only if they have the bodies to match. A flat tummy is a *sine qua non* for being able to carry off low rise jeans or else there'll be an unsightly bulge spoiling the whole effect. But a well-toned belly may not be enough; you need streamlined sides as well. Low-rise jeans or pants are the ultimate revealers and if you're planning to squeeze yourself into one, make sure you get rid of your love-handles, otherwise you run the risk of becoming a victim of what is known as the "muffin-top" syndrome. If you've seen how a baked muffin swells out of the little paper cup you'll know what that means in the context of an amply endowed person wearing low-rise pants.

So, how do you get your body low-rise ready? Regular readers would've noticed that I've been harping on about abs in the past couple of instalments of *Treadmill*, each of which has described a not-so-common exercise for toning up the tummy. So close on the heels of weighted leg raises, hanging raises and rope crunches, here goes one exercise that's designed to define your obliques, the muscles that run down the sides of your abdomen.



While garden variety crunches and normal front leg raises (where you lie on your back and raise your legs using your abs to do the work) help strengthen the muscles in the front of the abdomen, the sides or obliques require different treatment. One exercise to start with is the side leg raise. Here's how to do it. Lie on your side, as in the picture (no.1). Now, raise your left leg up and hold for a couple of seconds as in picture (no.2). Then return to the starting position. This is one repetition. Do 15 of them for a set. Now shift position to lie on the other side and do the exercise, raising your right leg. Do three sets for each side to complete your session. As the exercise gets easier to execute, you may like to use weighted anklets to make it tougher.

Remember though that side raises aren't a panacea that can rid you of your love-handles. For great abs, you not only need to strengthen your muscles (via crunches, raises, etc.) but you also have to burn fat (via cardio vascular exercises) and a sensible diet. All these can give you a flat tummy and sleek sides that won't bulge muffin-like out of those low-rise pants you've been eyeing lately.

MUSCLES MANI

write to *musclesmani@intoday.com*

Caveat: *The physical exercises described in Treadmill are not recommendations. Readers should exercise caution and consult a physician before attempting to follow any of these.*

PREVENTING AND TREATING ASTHMA

ASTHMA STATISTICS ARE ALARMING! INDIA has 15-20 million asthma patients. Pollution, a major cause of the disease, levels are rising everyday; so, a working knowledge of the ailment will equip you to tackle both prevention- and treatment-related issues better.

What Is It: Asthma is a respiratory disorder marked by unpredictable periods of acute breathlessness and wheezing. It affects the lungs and the airways that deliver air to the lungs. Asthma attacks can last from less than an hour to a week or more and can strike frequently or only after very long intervals.

Causes: Says Dr B. Bhalotra, Pulmonary Medicine Consultant, Sir Ganga Ram Hospital, New Delhi: "An asthma attack occurs when the airways become inflamed in response to triggers such as dust, smoke, pollen, feathers, pet hair, insects, some foods and drugs and cold weather."

Symptoms: These can vary from person to person. "There is usually irritation in the throat or a tightness in the chest, followed by coughing, wheezing or breathlessness," says Dr Bhalotra. Severe asthma symptoms are life-threatening. They may include difficulty in talking or concentrating; hunched shoulders; shallow, faster or slower breathing; and nasal flaring.

Treatment: Asthma, for the most part, cannot be cured, but it can be controlled. Treatments, typically, aim to reduce the frequency, severity and length of asthma attacks. Treatment plans involve combining medicines and asthma management techniques. The latter includes identifying and avoiding the things that trigger asthma; this is an essential part of the treatment plan. There are two main modes of treatment, relievers and preventers:

Relievers: Asthma relievers are medications that provide instant relief from asthma symptoms. They relax the muscles around the airways, open them up and allow you to breath more easily.

Preventers: They usually contain a steroid that reduces the inflammation of the airways. These drugs do not have an immediate effect and it may be several days before you notice any reduction in your symptoms.

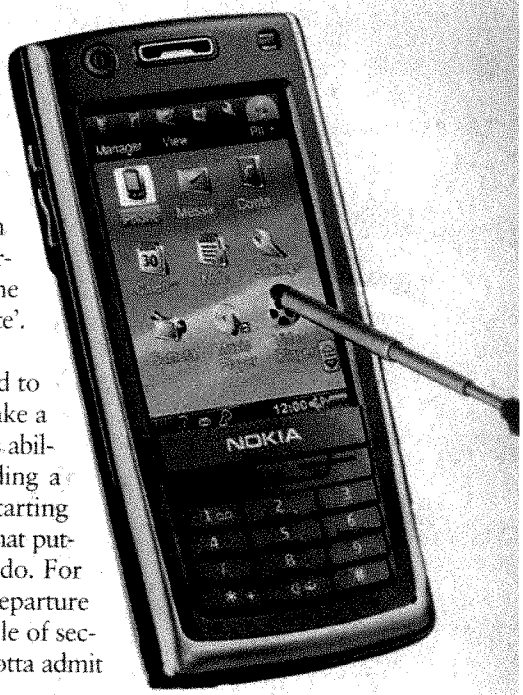
MANU KAUSHIK

Stylus War

The Nokia 6708 and the Sony Ericsson M600 are targeted at the same customer group. Here's a look at how they stack up.

Nokia 6708

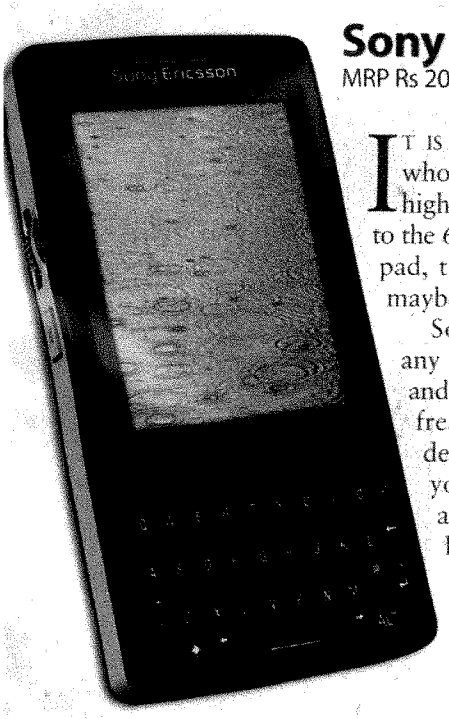
MRP: Rs 21,559; available for **Rs 19,000**



THE NOKIA 6708 IS THE LATEST PHONE FROM NOKIA'S ENTERPRISE Solutions division, and I loved it. Let me explain why. I find small keypads extremely frustrating. God did not make me with small fingers; well He did, but they've grown with time. I'm the sort of person who finds undersize laptops irritating and, thus, I've never been the biggest fan of SMSing. The 6708 turns that on its head by telling you to 'write'. I've not written so much text since my exam in college. And I like it.

It is true that this handset has a smallish number pad, but I preferred to use the softpad that flashed up on the screen every time I wanted to make a call. But the reason I fell in love with the 6708 had nothing to do with its abilities as a phone. You see, some engineer in Nokia decided that loading a programme called Recon on to the phone might be a good idea. Starting Recon converts the 6708 into a universal remote, and you have no idea what putting such a device into the hands of a self-confessed remote fiend can do. For example, I've recently been spending far too much time inside airport departure lounges and I'm sick and tired of watching news all the time. So, a couple of seconds later, I'm watching some booty move around on VH1, which you gotta admit is a lot more fun than watching news anchors acting self-important.

And for that very reason alone—well it is a good phone as well—I love this handset. Now to change the channel.



Sony Ericsson M600

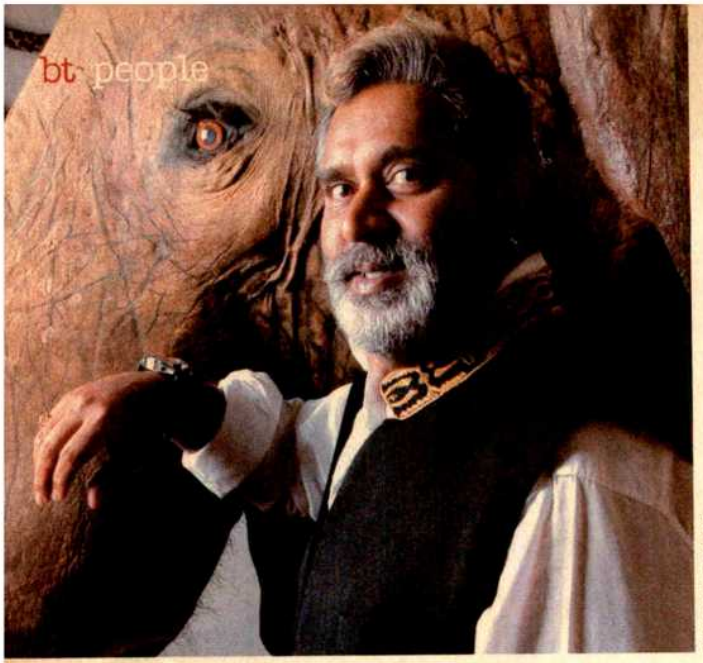
MRP Rs 20,995; available for **Rs 19,500**

IT IS POSITIONED EXACTLY IN THE NOKIA 6708'S NICHE—TARGETING BUYERS who want e-mail and office tools in their handset but cannot afford a high-end Communicator or P-series device. The M600 looks fairly similar to the 6708, except for one thing—it has a QWERTY keypad. Not quite a full keypad, though; each key represents two letters, occasionally a number and, maybe, a couple of symbols to boot.

Sony Ericsson could not send me the device because they didn't have any to spare, so I had to go to a mobile outlet to get an idea of the phone and play around a bit. If people found the 6708's keypad irritating, they'll freak out at this keypad; it will take a lot of getting used to, because despite the largish keys, multiple characters on a single key means you have to carefully manoeuvre your finger to the left or the right of a particular key and hope you don't bungle up in the process. Definitely not the easiest input device I've come across.

Plus, I had become rather accustomed to stylus-entry by then, and the M600 has a stylus, strangely coloured blue to enable entry. Much, much easier. Or maybe, I've just become used to writing out messages. No camera though, but maybe some people like not to be voyeuristic. ■

KUSHAN MITRA



BANDEEP SINGH

Elephantine Appetite

GOOD TIMES NEVER STOP ROLLING FOR **VIJAY MALLYA.** Having cobbled together an empire spanning liquor to pharma to aviation, the 51-year-old Chairman of UB Group wants to diversify into resorts. But it will be the man himself, and not UB, doing the investing. Initial reports suggest Mallya's private firm, VJM Resorts, is developing resorts in Lakshwadeep, with plans for another in Kerala. In between, Mallya is said to be looking at acquiring an airline in the US. MAXjet Airways, an all-business, low-fare carrier that flies between the US and UK, is said to be one of the airlines Mallya is talking to. If successful, the acquisition will allow him to take his airline business global. The King of Good Times is on overdrive, all right.

A Bull For Sure

NEVER MIND THAT THE SENSEX CONTINUES ITS rollercoaster ride. **RAKESH JHUNJHUNWALA,** Mumbai's stock market bull, is putting his money where his heart is. The 46-year-old stock broker reportedly plonked down Rs 25.52 crore for a 4,400 sq. ft apartment in Mumbai's über-posh Il Palazzo at Malabar Hill. Jhunjhunwala, who currently lives in the comparably tony Walkeshwar, was apparently keen on snagging the property. How keen? In an e-auction conducted by CB Richard Ellis, Jhunjhunwala paid a jaw-dropping Rs 58,000 per sq. ft, compared to the (now old) market price of Rs 30,000-40,000.

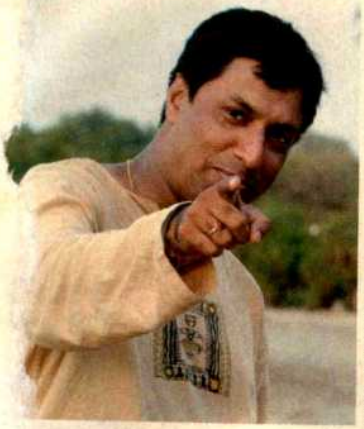
UMESH GOSWAMI

A Pesky Affair

THE UPA-MADE FRANKENSTEIN, THE OFFICE OF PROFIT CONTROVERSY, threatens to claim the seat of another party leader. A PIL filed against **JAIRAM RAMESH,** Minister of State for Commerce, has brought him under the Election Commission's scanner for allegedly holding an office of profit as a member of the National Advisory Council, while being a Rajya Sabha MP from Andhra. Congress chief Sonia Gandhi had resigned from her Lok Sabha seat in March this year for the same reason (but has since been re-elected). Ramesh, 52, couldn't be reached for comment, but help may be on the way for this IIT and MIT alumnus. When *BT* went to press, the Union Cabinet had rejected President's demand for changes in a bill that excluded a number of offices of profit, including NAC.

Enemies surrendered before his fearless ambition.
Friends surrendered before his charm and joy of living.
Alexander The Great
In you, he lives.
ROYAL CHALLENGE
GOLF ACCESSORIES

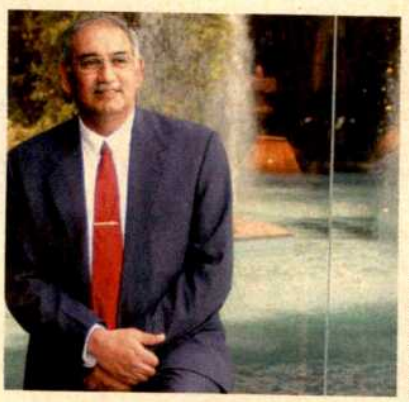
A Dig At Big Money



BHASKAR PAUL

BIG BUSINESS IS NEVER USUALLY THE first to protest over a movie. But MADHUR BHANDARKAR's movie *Corporate*, which looks at games business people play, has raised the hackles of Assocham, an industry lobby. The 38-year-old director himself is quite amazed at the reaction. "For God's sake, it's just a film. In fact, it's not even about corporate India, but about two people and their relationship," he says. He also doesn't buy the argument made by some critics that the movie was poorly researched. "I didn't just wake up one morning and start making the film. We spent six months researching the subject," he says. In contrast, the other two industry chambers, CII and FICCI, have kept their cool. After all, it's just a movie. Here today, gone tomorrow.

Back To Auto



VIVAN MEHRA

SO IT WAS ENTREPRENEURial ambitions that made B.V.R. SUBBU quit Hyundai Motor four months ago. Subbu, 51, is trying to set up an integrated automobile park in Tada, which is in Andhra Pradesh but close to the Tamil Nadu border. "It is still at an ideation stage," insists Subbu, who made a presentation mid-July to AP Chief Minister Y.S. Rajasekhara Reddy and his team of bureaucrats. Subbu is also considering Tamil Nadu as an alternative, but whatever be the final location, the project—if implemented—will be the first of its kind in the country. It is conceived as a complete automotive ecosystem, with all the pieces of vehicle designing and manufacturing present in it. Subbu says it is a concept driven by the needs of the auto industry to cut costs and improve production economy. He should know.

UMESH GOSWAMI

Corner Room Spat?

IN NOVEMBER LAST YEAR, WHEN SILICON Valley entrepreneur Raju Vegesna bought Sify from Satyam Computers, he said he was "excited at the prospect of helping Sify realise its great potential..." As it turns out, he wasn't feigning excitement. Sify watchers such as G. Mihalos, an analyst at Gilford Securities, are attributing MD & CEO R. RAMARAJ's abrupt departure mid-July to "serious differences among the top management". Apparently, Vegesna, who came on board as Chairman, wanted a more active management role—something he's now got as the Chairman, Managing Director & CEO. Ramaraj, however, says that he had been planning on quitting even before Sify declared its maiden net profit of about Rs 2 crore for the year ended March 2006. "Discussions were on, but we did not make it public, because SEC would have to be notified," he says. Ramaraj now plans to spend his time mentoring entrepreneur wannabes. It is not unknown for new investors to change management, but Vegesna will have to prove to investors that he is as capable as enthusiastic. ■

CONTRIBUTED BY VENKATESHA BABU, MAHESH NAYAK, SHALEEN AGRAWAL, SHIVANI LATH, E. KUMAR SHARMA AND NITYA VARADARAJAN

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VIVAN MEHRA

NAME: MALVINDER SINGH
AGE: 33
DESIGNATION: CEO & MD
COMPANY: Ranbaxy Labs

Like Father Like Son

HE IS YET ANOTHER ENTREPRENEUR WHO WANTS TO MAKE IT BIG OUTSIDE INDIA. "WE WANT to be among the world's top five generic drug firms. And we should get there by 2012," gushes Malvinder Singh. Ranbaxy is already among the top 10 generics firms in the world. So what's he doing to get there? To start with, he's shopping for companies across the globe.

Ranbaxy acquired GlaxoSmithKline's (GSK's) generic business unit, Mundogen, in Spain last week for an undisclosed amount. This was its fifth big acquisition in the last five months. On March 30, this year, it bought Belgium's seventh largest generic company, Ethimed, for about $50 million (Rs 225 crore then). Just a day before that, it had closed a deal with one of Romania's largest independent generics company Terapia, for $324 million (Rs 1,522.8 crore). Two days before that, it had bought GSK's unbranded generic business in Italy for an undisclosed amount. And on March 21, Ranbaxy had acquired the rights to US-based Senetek's auto-injector device as well as the company's assets.

The objective of these acquisitions, says Singh, is to strengthen the company's base in the CIS and the European market. The former is the fastest growing and latter, at around $15 billion (Rs 70,500 crore), the second largest generics market after the US. "The results of these acquisitions will soon show on our balance sheet," says Singh. But he quickly clarifies that inorganic growth is not the only way his company expects to achieve its growth targets. Ranbaxy has set itself a goal of $2 billion (Rs 9,400 crore) in revenues by 2007; total revenues in December 2005 were $1.2 billion (Rs 5,640 crore). What's his management style like? "A free atmosphere is essential to unleash the capabilities of team members. So I delegate responsibilities to my team members, create an enabling atmosphere and give them space to work." At the core of all these endeavours, he says, is the commitment to create value for shareholders. "I am an entrepreneur at heart and value-creation is the ultimate objective of any true-blue entrepreneur," he says. ■

ARCHNA SHUKLA

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